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Official Report (Hansard)



Second Session, Thirty-Second Parliament

Monday, November 15, 1982

Evening Sitting

Speaker: Honourable John M. Turner

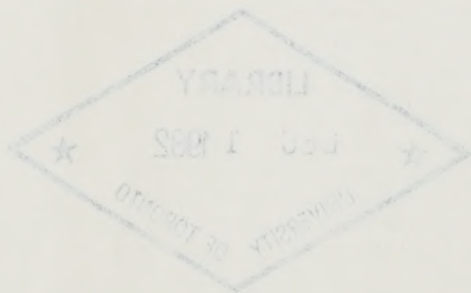
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LEGISLATURE OF ONTARIO

Monday, November 15, 1982

The House resumed at 8 p.m.
House in committee of supply.

ESTIMATES, MINISTRY OF INTERGOVERNMENTAL AFFAIRS (concluded)

On vote 601, ministry administration program:

The Deputy Chairman: With one hour and 19 minutes remaining, the House remains in committee and we are in the process of reviewing the estimates of the Ministry of Intergovernmental Affairs. We are on vote 601, and the member for Prescott-Russell has the floor.

[Applause]

Mr. Boudria: I thank my colleague the member for Renfrew North (Mr. Conway) for all that enthusiasm.

Mr. Conway: You have to clap to get some heat in this joint.

Mr. Boudria: Yes, Mr. Chairman. Maybe this would be a good occasion to mention the fact that the temperature in this place has not been particularly warm. Some of us may have a thicker layer to keep our body heat, but then others do not have quite that privilege, if it can be called that.

Before the dinner hour we were just about to start the discussion on the services offered to Franco-Ontarians by this ministry or indirectly through it, since this ministry is responsible for Franco-Ontarian services.

There are a few issues I wish to discuss with the minister. One, of course, is translation services. We know that over the past year the translation service offered to members by the different ministries has been an issue. I believe that the Ministry of Government Services at one time was very far behind in its work, and that has since improved considerably. I think they must have obtained additional personnel. Whatever they did, it has improved considerably since then.

But there is one thing that happened about three or four months ago, and the minister perhaps was in the House when I raised it. Certain government agencies now are using the excuse of not being able to get a translation as a

reason for a delay in corresponding with constituents.

The instance I brought to the attention of the House was the case of the Social Assistance Review Board, which had stated to one of my constituents that it took three and a half months to reply to him because of translation services. The Minister of Government Services (Mr. Wiseman) verified that a translation had been offered to the Social Assistance Review Board within five days; so obviously that was a case of this agency using that as an excuse for its delay.

I do hope it is not a trend in government to tell the francophones in this province, "Well, folks, if you want French services you can get them but they will be delayed by the translation service," because in this particular case it was totally erroneous.

I do not know whether I was misled deliberately or unintentionally, but I was given wrong information on that occasion by the Social Assistance Review Board and it was corrected in this House by the Minister of Government Services. I do hope that some directive is given to government agencies so they do not ever use that kind of an excuse again, especially when it is untrue.

The other issues involving francophone services and of concern to me are in the specific area of Ontario Provincial Police protection. I am glad that the Solicitor General (Mr. G. W. Taylor) is in the House at this point, because he represents an area that has a number of francophone residents and he is responsible for the OPP.

As you know, Mr. Chairman, I wrote an open letter to the Solicitor General asking him whether he would do something to improve services offered by the OPP to francophones in my region. The minister replied to me and indicated that so far as he was concerned, 37 out of 58 OPP officers in my constituency had some knowledge of the French language and that this was sufficient, so he did not intend to improve the service beyond that.

He also indicated in his letter to me that it was very difficult to hire francophones to serve as OPP officers. That I totally refuse to believe. If the city of Hawkesbury, small towns like Vanier

and other areas can hire competent people to serve as police officers, then surely this government with all its resources and all its advertising can find a greater number of francophones to serve as OPP officers. To say we cannot find people who are willing to do that job, I do not think is particularly correct. As a matter of fact, I do not think it is particularly honest.

I am sure that if I were given a small budget to advertise, I could find a suitable quantity of them in not a very long time without even leaving the constituency of Prescott-Russell. I am sure that a good, well-sized ad in the newspaper *Le Carillon* would immediately bring a sufficient number of francophone replies from people who want to become OPP officers.

In the past there have been a number of government agencies that have progressed at a much slower pace than others in the area of delivery of services to francophones. I guess it would be fair to say that the Workmen's Compensation Board in particular has not been very fast in responding to the needs of the francophone community. On the other hand, there are other agencies that have been considerably faster. The Ministry of Tourism and Recreation, for instance, does a relatively good job in the area of responding to the francophone community.

There are regional offices in eastern Ontario—and, I would assume, in northern Ontario, although I am not certain—that have a large number of bilingual personnel. They can serve the needs of volunteer groups in my constituency and other areas in a very adequate way. They do a very good job. On the other hand, in the ministries such as the Ministry of Transportation and Communications, the work that has been done is not nearly as good. The signs on our highways still leave a lot to be desired.

8:10 p.m.

As I was saying, the workmen's compensation area certainly needs some improvement as far as delivery of services is concerned. Perhaps the minister can appreciate the kind of circumstance where a constituent receives a letter from the Workmen's Compensation Board or some other government agency telling him it has arrived at a decision in his case. The letter is sent to the constituent in English. He carefully puts it aside and, when he has a visitor who can read the letter, it will be read to him and he will be able to understand exactly what it says.

The letter contains information such as, "You have 21 days to appeal our decision." That is not

very effective for those who learn that 28, 30 or 40 days later from a person who can translate. It is difficult to understand why such letters from the Workmen's Compensation Board are not printed on both sides. They are form letters anyway and in many cases do not contain information that has to be printed every time. It would be easy for certain government agencies to improve these services at little extra cost, and sometimes at no cost at all.

In the United States, I believe it is Senator Proxmire who has an award every year.

Mr. Wrye: The Golden Fleece.

Mr. Boudria: Is it the Golden Fleece? It is an award presented to the government department that does a particularly bad job. He gives his for wasting taxpayers' dollars. I wonder whether we should have a similar award in Ontario. I intend to discuss this with the Association canadienne-française de l'Ontario or other groups.

Perhaps we could have an appropriate trophy we could dispense every year and award to the government ministry that does a particularly bad job in so far as offering services to the francophone population is concerned as some form of recognition of a deficiency. It would be hoped that some ministries that lag a little behind the others would try to catch up to ensure they are not the recipients of this award.

I have thought of what this award could look like. As a francophone, I can certainly say that maybe it should be shaped like a great big frog about so long. We could award it once a year to the government ministry that does a bad job in offering services. Perhaps that would keep the few of them that are doing a bad job in line with the others.

In view of the report on wife battering which will be coming out later, I think this year the award should go to the Solicitor General for the lack of OPP protection in that area and his letter stating that he does not intend to fix the problem.

Another area I would like the minister to respond on is the governance of French-language schools. I recognize that is more properly the responsibility of the Minister of Education (Miss Stephenson), but nevertheless the minister must have had some input into that area.

The report that came out last year was presented to the Premier (Mr. Davis) on the second to last day or the last day of March. It was only brought into this Legislature in mid-May. For some reason it took six weeks to read a report that had only 30 or 40 pages.

Once it was tabled in the House, a letter was

sent to all the school boards asking them to give their comments on it without even giving them a closing date by which the government wanted the comments returned. The letter was different in French and English. In English it said to reply as soon as possible and in French it did not say anything about that. It just said, "Would you please give us your comments on this report?"

At the beginning of September, we found ourselves in a situation where the Premier had to tell Mr. Jean François Aubé: "Sorry, guys. It's too late. We can't adopt this report in time for the fall election." Small wonder in view of the fact that nothing was done to accelerate it or push it along to ensure the government got the feedback quickly enough.

Perhaps the minister could respond to that as well as to the question that was raised about the enumeration of francophones. That has come under criticism, and I have spoken to you privately about this. I believe the phrasing of the question on the enumeration form made it a little difficult for people to answer. The question was something like, "Do you wish to have your name placed on the list of electors for French language schools?" Because there was no alternative, constituents found it difficult to respond.

If there had been two different blocks provided for the question "Do you wish your name placed on the list for English or French schools?" or something like that, people would have had to reply one way or the other, and the francophones, as a group, would not have been set apart, as they were by the way the question was asked on the enumeration form.

I recognize that enumeration is the responsibility of the minister's colleague the Minister of Revenue (Mr. Ashe), but I am sure this minister had some influence on it, since he is the minister responsible for francophone services.

I would welcome replies to those questions from the Minister of Intergovernmental Affairs.

Mr. R. F. Johnston: M. le président, je veux poser quelques questions à le ministre, M. Wells, mais en anglais si je peut, si possible. They concern French-language services. I would like to have some idea of interaction between this government, and this minister in particular, and the government of Quebec.

In the past few weeks we have heard, in eulogies, of the special liaison that existed between Quebec and this province under the leadership of Premier John Robarts. But we are all very much aware of the divisions that have occurred in the past number of years and of the

lack of communication between Ontario and Quebec at a time when the unity of our country was under heavy pressure. That was undoubtedly a most difficult time for a Conservative government in Ontario to relate to a government of Quebec whose philosophy was very much at odds with the philosophy of this government, especially in the matter of Canadian unity but also in other philosophical matters.

It is a shame that we have apparently let this bond and this co-operation which existed erode. I know this would terrify people in western Canada, but the central Canada axis seems to have fallen apart.

This is probably the most propitious time in our history for a government in Ontario to try to restore some of those bonds, and for many reasons. One is that, very slowly and quietly, this government has made some not inconsiderable steps towards the recognition of the French language in Ontario—very quietly, unfortunately, has been the way these improvements have been brought about.

We still see them coming about, whether it is a matter of the language to be used in the courts; whether it is a bill—which we will be debating shortly—allowing municipalities to use either of the two official languages of Canada in their operations; whether it concerns providing psychiatric care to people in northeastern Ontario in the language of their choice; or whether it is providing advisory committees to various ministers to sensitize them to the needs of proper communication with the French-speaking community in Ontario.

It has all been done very quietly. It has all been done with a great fear of the notion of official bilingualism and a great fear of the notion of any kind of tacit acceptance of section 133 of the British North America Act and the sections now incorporated for Quebec, Manitoba and New Brunswick in the new Constitution but not for Ontario, that there should be any official recognition in our operations of the fundamental rights of the other founding nation of this country in Ontario.

8:20 p.m.

Mr. Kerr: Are they living up to it in Quebec?

Mr. R. F. Johnston: I think they have lived up to it in the past much better than we have. But in many ways I suggest they are not. That is unfortunate. I am not sure how much of that could have been overcome if we had maintained the kinds of connections we had, and how much

would have been lost anyhow in terms of philosophy.

For a number of reasons the Quebec government is under some very interesting pressures at the moment and may be more open to the kinds of conversation with this government that could develop more co-operation on a whole range of matters.

It is going to require some movement by this government. It is going to require more public kinds of statements about bilingualism and about the rights of Franco-Ontarians in this province than just the piecemeal, but very much accumulative, increase of the rights or privileges of Franco-Ontarians.

I would like the minister to address us in his wrapup comments, if he can, or at some other point if it seems appropriate—because I believe this is of such fundamental importance to the whole notion of the workings of this Confederation—on just what he is intending to do in terms of action with the government of Quebec in trying to develop a greater interaction with that government, both in terms of French-language services and cultural exchanges and intergovernmental action but, more important, in terms of the whole notion that we should be talking much more than we are.

I would like to know, for instance, when was the last time the minister spoke to his counterpart in Quebec? How often does he do that? What can we do to expand the numbers of levels upon which we maintain contact with Quebec?

I am reminded of the Constitution committee here in the Legislature and our travels across the country and our brief period in Quebec, and thinking, "My goodness, this is the first time in many years that a parliamentary committee of the Legislature of Ontario has actually travelled to Quebec—people representing all the parties, people who are coming here essentially to discuss with their counterparts in Quebec our feelings about our Confederation, what their feelings are about the possibilities of association and the future of our country as they see it, and trying to develop some kind of interaction."

We had very limited success in terms of the ability to actually communicate effectively with those people, partly because of our philosophical differences but also in part because it had been so long since those kinds of communication had taken place. There was not a naturalness to the fact that we were there and wanting to communicate to our brother and sister legislators in Quebec.

I think we need to look outside ourselves as a

province. It is obviously the role of this minister to guide us in these kinds of developments.

I ask the minister whether he has any thoughts at all about means of doing that in a way that is not just strictly government to government, governing party to governing party, but also as a means of members of this Legislature making contact with their counterparts in Quebec and trying to see what we can do to—

Mr. Stokes: Their divine right to govern.

Mr. R. F. Johnston: That is true. The member for Lake Nipigon reminds me that it is seen as your divine right to govern, but it is our established right as legislators and our duty to work, not only as provincial legislators in Ontario but also in terms of our roles as legislators within the Canadian fabric, within the Canadian Confederation.

I am not convinced, as I look at the opening statement of the minister and his varied comments about what we have accomplished at the moment, that we are actually doing enough in terms of our interaction, at the ministerial level and certainly not at a legislative level, between the two oldest partners in our Confederation.

I would hope that the minister might give us some of his ideas about what we can do to foster that kind of communication; and in particular what kinds of things he is planning to do in terms of the development of French-language services—in a more open way, a more public way, perhaps even spending some of our advertising money on something like that for a change rather than on some of the other kinds of issues. We do not seem to spend that much in terms of publicizing our quite considerable efforts in that area. I would hope he might tell us just what he hopes to accomplish over the next number of months. I would appreciate very much hearing from him on that side of things.

Mr. Mancini: Mr. Chairman, I would—
Interjection.

Mr. Mancini: The member for Scarborough-Ellesmere (Mr. Robinson) is a real gentleman. He is just tops. Thank you.

I would like to say that I concur with some of the arguments I have heard this evening from some of the honourable members. They certainly have stressed how important it is for this government to have good relations with Quebec, and how important it is for the wellbeing not only of Ontario but of Canada as a whole.

I would have liked to have seen the same members stress the same points for all the other provinces in Canada. For some reason, I sup-

pose historical, many of the provinces in Canada—I should say all the provinces in Canada—are envious of Ontario for the industrial base that we have, for the large population that we have and for the seeming wealth that we possess.

It is very important to me as a member of the Legislature to be able to communicate not only with the members of the Quebec National Assembly but also with the members of the legislatures across this country, because just solving the differences we have with Quebec is not necessarily going to solve all of the problems we face in Canada.

Many of us here in this assembly were not only surprised but shocked some 18 months ago when a separatist was elected in Alberta. That same separatist has now been defeated—

[Applause]

We should all applaud that, but we are not necessarily sure why the defeat took place; whether it was the opening of the Alberta Heritage Savings Trust Fund to the taxpayers in Alberta, whether it was their rejection of separatism, or whether it was that the separatist who did get elected turned out to be a carpet-bagger willing to run in any riding to hold a seat in the assembly. I would have to conclude that he was turfed out of office because he was a carpet-bagger, not because he was a separatist and not because the Conservative government opened up the heritage fund to the people of that province.

I see here in the government directory that our government is very concerned and active in overseas trading. We have an international relations department and under that department we have a senior policy adviser for the United States and the Pacific Rim. Economic and trade relations is the reason stated in the directory for that particular department.

8:30 p.m.

We have a European affairs, science and technology department; cultural and social policy relations; transborder relations. That is an interesting one, transborder relations. Maybe the minister will take a minute to explain transborder relations. Latin American affairs—very interesting; and we have international offices in Brussels and Paris. The agent general for England is not listed. He is not under the minister's department?

Hon. Mr. Wells: No.

Mr. Mancini: No. I see. He is listed under a

different ministry then. Anyway, I am quite interested in what these departments do.

Mr. McClellan: They have a lot of fun.

Mr. Mancini: Yes. My friend the member for Bellwoods says they have a lot of fun, and I am not against anybody having fun; as a matter of fact, I have fun myself on occasion.

Mr. Breaugh: It's 8:30. Curfew.

Mr. Mancini: Yes, it is getting late. You're right.

Anyway, was it Patrick Lavelle—how does that gentleman pronounce his name? Patrick Lavelle, who is involved with the auto parts manufacturing groups here in Ontario and in Canada, gave a scathing report on bureaucrats who are posted overseas. He pointed his remarks in particular and, I think possibly entirely, to the bureaucrats who serve the federal government.

Mr. Kerr: Hear, hear.

Mr. Mancini: I would not applaud too soon.

He mentioned how they are able to protect themselves from inflation, from the problems of layoffs, from the problems that ordinary men and women face, and he said basically that there are secluded bureaucrats living high off the hog and having the taxpayers foot the whole bill.

It had crossed my mind why Mr. Lavelle aimed his criticism only at the federal bureaucrats. There could be two reasons for that. The most simple reason, of course, is that he is a Conservative and he certainly would not want to do anything to embarrass his good friend Tom Wells. Actually, Tom—

Interjections.

Mr. Mancini: I am just giving two reasons why he may have said these things. I am not saying—

Interjections.

The Deputy Chairman: Order. Call the honourable member by his constituency. This matter is becoming too personal.

Mr. Mancini: Sorry?

The Deputy Chairman: Refer to the Minister of Intergovernmental Affairs; avoid the first-name bit.

Mr. Mancini: Oh, I'm sorry, Tom: the honourable Minister of Intergovernmental Affairs. He could be personal friends with the minister and that could be the reason he pointed his finger at the federal bureaucrats—whom none of those guys would lay off—and said, "You guys are taking the taxpayer for a ride."

I believe he must have done this for political reasons. Why, for example, did he not mention

the international relations offices of this ministry? Why did he not mention the Brussels office or the Paris office? Either he is a Conservative or he did not need any of these people. That is the only conclusion I can come to, and the minister is going to have to help us out. He is going to have to clear this situation up for us. He is going to have to tell us exactly what it costs to keep these gentlemen and ladies in Brussels. What rent do they pay?

Mr. Breagh: On a point of order, Mr. Chairman: I just want to point out, since the member seems to be questioning the expenses, that there is this little blue book that the critic has, and in the little blue book are all those numbers. He might be interested in taking a look at the briefing material that has been provided by the ministry, which in fact has the exact numbers to the exact questions he just asked.

The Deputy Chairman: That was an excellent point of order. I now come back to the member for Essex South, who has the floor. There are 46 minutes left.

Mr. Mancini: Could the minister arrange some type of committee to go to England so that the member for Oshawa could go for his third time?

I want to know from the minister—and we are really going to need his help—why Mr. Lavelle pointed his finger in only one direction. The only way we can figure this out is for the minister to inform us of the following: What rent do they pay for accommodation in Brussels? What rent do they pay for accommodation in Paris? How many personnel do they have in each office? What are the salary levels of these personnel? What perks are they offered? What tangible benefits have we received from having these offices in Brussels and Paris? Finally, I want to know why the office in Rome was closed down?

Hon. Mr. Wells: We never had one in Rome.

Mr. Mancini: Okay, it was in Milan.

Why, when there are 650,000 Italian-Canadians living in this province, did you close the office in Milan down? Are you saying there are no Italian businessmen in this province who can work with the office that was established in Milan to bring new moneys and new industries into this province? Why would you maintain an office in Brussels and an office in Paris and close the Milan office down? It is not that I wanted the job myself.

Basically, those are my questions. We will

understand Mr. Lavelle's criticism much more clearly when we get the answers to these questions that I pose to the minister. I am already assuming that Mr. Lavelle's statements could have and probably should have included not only the federal bureaucrats who are in trade offices around the world, but also the bureaucrats who have been appointed by this government.

Mr. Stokes: Why are you a Liberal?

Mr. Mancini: My father was a Liberal.

Mr. Stokes: You spend all of your time criticizing the feds.

The Deputy Chairman: The member for Essex South has the floor and is continuing his presentation.

Mr. Mancini: Mr. Chairman, I thank you for keeping order and stopping these people from interrupting. I really appreciate the strong hand you have shown.

I am assuming that what Mr. Lavelle said about the federal bureaucrats should have included all the bureaucrats who have been appointed overseas. In these times of economic uncertainty and with the closing of the Milan office for reasons which are still yet unclear, I would recommend that the minister review the offices in Brussels and in Paris and review the international relations department to see exactly what tangible benefits this province is receiving.

Do your people in the international relations department liaise with the ambassadors appointed by the government of Canada or do they work in these circumstances almost as if they were ambassadors for Ontario? What exactly do they do? How do they fit into the system?

8:40 p.m.

Mr. Foulds: There isn't any system; they have a patronage system.

Mr. Mancini: That is what I am trying to get from him. That is exactly what I am trying to get the minister to say, that there is no system. Anyway, Mr. Chairman, I think I have had my share of the time. I know other members wish to speak on these important matters under this very important ministry and we will await the minister's answer.

The Deputy Chairman: The minister would like to respond to some of the questions that have been raised.

Mr. Conway: Mr. Chairman, may I add a brief one?

The Deputy Chairman: The member for Renfrew North.

Mr. Foulds: Be brief.

Mr. Conway: I will be very brief. It will surprise the member for Port Arthur. I do not wish in any way to be provocative.

Mr. McClellan: But extravagant.

Mr. Conway: I will be neither florid nor extravagant, having gone to that marvellous party in room 228 and having drunk at the table of my socialist friends.

As I was listening to my colleagues the member for Prescott-Russell (Mr. Boudria) and the member for Essex South (Mr. Mancini), I was reminded about the international relations office. I do not want to go into a little debate on my friend and the minister's colleague Omer Déslauriers, but I do read the Financial Post regularly. This is a rather small point, but I will make it none the less.

In the Financial Post, among other papers, there is a little, almost weekly ad run by the Westin Hotels chain.

Hon. Mr. Wells: We've had it before.

Mr. Conway: Have we dealt with that?

Mr. Stokes: The member for Oshawa (Mr. Braugh) dealt with that.

Mr. Conway: I always wondered whether there was a policy governing—

Mr. Stokes: What have you got against Adrienne?

Mr. Conway: I have nothing against Adrienne, but I just wondered whether the minister, in the sweet reasonableness of his usual way, intended to answer the question, if it was put by the member for Oshawa. That is my very minor concern. I just wondered what, if any, policy there was governing this sort of moonlighting, as we call it at home, because one begins to fantasize about where it is that Omer Déslauriers might wish to show his face in some commercial way.

Hon. Mr. Wells: Mr. Chairman, I have a very excellent brochure on the Brussels office with Omer's picture and all the staff in it if the honourable member would like it. I think he would find it very interesting.

Mr. Conway: Is it true that you offered Morley Rosenberg my—

The Deputy Chairman: Order. I ask the honourable member to desist.

Hon. Mr. Wells: Here is an ad headed "The

Westin woman in Canada," and it does not show Adrienne Clarkson.

Mr. Boudria: The one I picked up this morning on the Air Canada flight had her picture.

Hon. Mr. Wells: This is from a recent issue of Maclean's magazine, I would guess.

The answer to the question is quite simple. I was in the advertising business at one time, and members who know how these things work will understand that print ads such as these are prepared quite a long way ahead and then are shipped out to the various publications for use. Very often they are repeated for a year or two years; they all go by numbers and some have Adrienne's picture and some do not.

She agreed in November 1981 to let Westin Hotels use her photograph on their advertising campaign—a photograph which, incidentally, is used without her name ever being mentioned. No one's name is mentioned on those.

I remind the member that at the particular time this agreement was entered into she was an employee of the Canadian Broadcasting Corp. She joined this ministry on April 15, 1982, and ever since then a variety of people have put the same question to her. There is no question that a civil servant or an employee of the government would not have his or her picture used in commercial advertising such as that. She has asked the Westin Hotels and the agency concerned to drop the ad as quickly as it is possible. I have assurances from those people that it should be stopped by mid-December.

Mr. Foulds: Are those assurance as good as Bob Elgie's on Cadillac Fairview?

Hon. Mr. Wells: They are excellent assurances. I am guaranteed that unless somebody has an old copy of the ad around and happens to break or drop the new one and some newspaper sticks it in again next January, which could happen, it will not be officially run after mid-December.

Next I would like to inform my friend that I recall Patrick Lavelle's comments about foreign service employees. I guess they were the trade employees working in the various embassies of the government of Canada. Patrick Lavelle is a friend of mine. As far as I know, he is certainly not a Conservative. I suspect his political affiliation is basically Liberal. He was an executive assistant to the Honourable Allan MacEachen at one time.

Mr. Boudria: So was the member for Scarborough-Ellesmere.

Hon. Mr. Wells: Not for Allan MacEachen.

Mr. Conway: We won't embarrass him further.

Hon. Mr. Wells: Be that as it may, Patrick Lavelle is a fine person who was the head of our operation in Paris before Adrienne Clarkson. He has a good appreciation of the things that have to go on in these foreign offices. The upgrading of our Paris office and the ultimate employment of Adrienne Clarkson as our agent general—

Mr. Manicini: You call it upgrading; that's what you call it.

Hon. Mr. Wells: Upgrading in the sense suggested by Patrick Lavelle when I met with him over there, which was that the status of our Paris office had to be lifted from a trade office to an Ontario House operation to give Ontario a certain degree of prestige and appearance in Paris to help the total long-range concerns of this province within the context of Canada as a country.

I want to emphasize clearly to my friend that all three of our offices abroad which are classified as Ontario Houses and have agents general; Brussels, Paris and London. All operate closely with the Department of External Affairs, with the Canadian embassies there, and are not there as embassies on their own. They are there to present the Ontario story in conjunction with the total Canadian picture. They do this very well.

I can read some of the letters I have concerning Adrienne's duties in Paris, written by businessmen who have said how appreciative they are of the new status that has accrued to that office and the doors that have been opened for Ontario businessmen by Adrienne's presence in Paris. This has been very helpful.

Mr. Mancini: Did you get any complaints about the Milan office?

Hon. Mr. Wells: There are 12 people in the office in Paris. Four positions are from our ministry, including Adrienne, who is the agent general. There are six people from the Ministry of Industry and Trade who are trade people. Then there are a couple of tourism people from the Ministry of Tourism and Recreation who will also be operating out of that office.

In Brussels, there are eight people: two officers and two secretaries from our ministry; and one officer, one secretary, one locally hired person, and one person who works half-time for

us and half-time for Industry and Trade. So it is a joint operation in Brussels with eight people.

Let me add this little aside. The Brussels operation was reinstituted at the direct request of the Canadian ambassador in Brussels to the Premier during one of his visits there. He asked that Ontario re-establish its office.

I feel bad about not having an operation in Italy. For a variety of reasons, the trade office in Milan was closed. It may be we will expand that. I am happy to have on record a request from my friend on the other side that he would like to see us open an office in Italy. We will certainly put that into the hopper when that comes up for consideration.

Mr. Mancini: Mr. Chairman, on a point of order: I find it just a little inconsistent. We have over 600,000 people of one particular extraction and we do not even have a trade office, and we have trade offices everywhere else.

8:50 p.m.

Hon. Mr. Wells: The need for the office does not necessarily depend upon the number of people from that area who are resident in this country. For various cultural reasons it would be very useful.

I think Adrienne and the Paris office cover the Rome territory at this time. Certainly that is something which could be considered for the future.

Mr. Conway: You could send Ed Havrot to Warsaw.

Hon. Mr. Wells: The point to remember is that it is very easy to criticize things that are beyond our borders.

Mr. Conway: It is not hard to criticize Omer Désaulniers, with all due respect.

Hon. Mr. Wells: With all due respect to my friend the member for Renfrew North—

Mr. Conway: Your case for the office in Brussels is somewhat lessened by that appointment, with all due respect.

Hon. Mr. Wells: —it is easy to sit there and talk like that but Omer is doing a very good job in Brussels. Those who have visited there have found this to be the case. I find it just a little inconsistent when the member and his colleague the member for Prescott-Russell and others stand up in this House and ask us constantly to do more for Franco-Ontarians and to do all kinds of things in that area, then so severely criticize a former president of l'Association canadienne-française de l'Ontario, a former prominent Franco-Ontarian who is

now representing our province abroad. They really want to try to have it both ways.

Mr. R. F. Johnston: On a point of order, Mr. Chairman: I want to be clear. Does this mean that the solution for Franco-Ontarian representation would be to send them all overseas?

Hon. Mr. Wells: No, it does not mean that; but the point seems to be completely missed by some members. Because Omer Déslauriers happens to have run as a Conservative candidate at one time he is now suddenly castigated out to one side. Omer Déslauriers has done a number of credible things for the Franco-Ontarian community. He has worked hard on its behalf. He is working hard now in an area where it is very credible for us to have a Franco-Ontarian.

I understand that the Walloon region of Belgium is now setting up a separate office in Quebec. For us to have a person like Omer in that kind of environment I think is not only a credit to Ontario but it is a credit to Franco-Ontarians. The member is attacking the fact we have not only got a credible representative there but a person who has good rapport with the Walloon section of Belgium.

We have had no criticism of the job Omer Déslauriers is doing in Belgium. I find the members' remarks disturbing and petty. Criticize the offices but do not be critical of a person who I think represents us well. No one is perfect, but in my years in education I found him to be a very helpful person in his contact with Franco-Ontarians and in fighting for their rights in some of the things members opposite are standing up to talk about every day in this House.

It is very difficult to justify overseas operations. I am sure it is difficult for the government of Canada to justify the External Affairs operation. It is perhaps difficult for us to justify what we do in overseas offices. Notwithstanding that they can be criticized, the fact remains their presence in these areas of the world ultimately will help create jobs, raise the standard of living and make things better for the people of this province and of Canada.

That is what it is all about. We do not live on an island. We live in a world and we want to trade with that world. Others want to sell their products here. We want to exchange culture and have all kinds of interflow going on. That is why we have operations such as our offices and the offices of the government of Canada. That is why we have trade offices and that is why people travel.

Mr. Mancini: Don't you find it interesting that your appointee criticizes the federal bureaucrats overseas and has nothing at all to say about your offices. What are the differences between your offices and theirs?

Hon. Mr. Wells: Listen, I do not know; you would have to ask Patrick Lavelle about that.

Mr. Mancini: He was appointed to work for you.

Hon. Mr. Wells: He does not work for me. Patrick Lavelle works for the auto parts manufacturers now. He never did work for the Ministry of Intergovernmental Affairs. I guess Mr. Lavelle always felt that the job the province did on very limited resources was a perfectly creditable job.

Mr. Mancini: Prove it; tell us the figures. Give us the figures for what's being spent and what we get for it.

Hon. Mr. Wells: Well, Industry and Tourism can bring out and trot out for you the whole list of contacts and opportunities that have been brought from other countries and the fact that we are able to do business there. One of the things that is happening now in Paris is that Ontario wine is getting some presence in the French market because of the job our people are doing over there.

Mr. Mancini: How do we know the federal government was not responsible for that?

Hon. Mr. Wells: The federal government is helping out on that too; certainly it is.

Mr. Boudria: Mr. Chairman, on a point of order: I would like some clarification. This publication from your ministry from the bureau du co-ordonnateur provincial des services en français has it that you are advertising that Beaujolais nouveaux from France will be available in Ontario on November 15. It invites people to try out this new French wine on November 15. There is nothing about the reverse. Would you like to indicate why that was done in your ministry's publication which I have right here?

The Acting Chairman (Mr. Robinson): That is not a point of order. However, I am sure the minister will respond to the question none the less.

Hon. Mr. Wells: That is all part of the reciprocal kind of arrangement. We are selling French wine in this province. We want to sell Ontario wine in France; and believe me we are going to do it.

Mr. Boudria: Why not sell Ontario wine to Franco-Ontarians?

Hon. Mr. Wells: They sell Ontario wine here. They know it is here. Believe me, for the same reason you said that—and I am not sure what happened—the Chateau des Charmes people wanted to open up their nouveaux Beaujolais, to uncup a few bottles of it in front of the Eiffel Tower a day before this occurred here. I do not know if that came off, but there is very imaginative marketing of Ontario wines in France. That is what we are helping them with over there. It was successful and it will be successful.

Because time is limited, I want to talk quickly about a couple of other things in the area of French-language services. The members asked what was happening in certain ministries. On the recommendation of the co-ordinator of our ministry and our reports, last year we recommended that the Ministry of Transportation and Communications have a full time co-ordinator. That person has been appointed, Roland Bourque, and he has set up committees in all the key areas there. I think there will be advances in the use of French in the operations of the Ministry of Transportation and Communications.

We also recommended there be a co-ordinator for the Workmen's Compensation Board and Labour. This person was appointed earlier this year, Mr. Stéphane Grenon. He is a full-time co-ordinator and I think you will find a new impetus there.

My colleague the Solicitor General is here. We will be recommending and will continue to recommend he have a full-time co-ordinator. I am sure he will be giving consideration to that. I hate to mention it—well, I do not hate to and I do not apologize for it—but Omer Déslauriers did a study on the use of French in policing and has passed on some recommendations to the Ministry of the Solicitor General concerning the police forces. Some of his recommendations would be helpful to a co-ordinator appointed in that particular ministry.

9 p.m.

As far as education is concerned, the Premier has written Mr. Aubé and has given him a commitment. I think we are all sorry that action could not be taken before these elections on the matter of the governance of school boards. I know that people worked very hard on that report and it was disturbing not to be able to come to some conclusions in time for this year's election.

But the Premier has given four indications,

one of them being that after the consultation was completed with the school boards we would then bring forward suggestions for the kind of legislation that we could support in this area. That is for early spring, as I understand it.

We have already indicated that we would look at areas where the Languages of Instruction Commission of Ontario could be strengthened; with regard to the possibility of trial areas without legislation it has not been possible to work anything out; and the consultations with the school boards will end by December 31.

So I think that in the school board area four guarantees have been given, and we intend to abide by those guarantees. The backup work proceeding towards what was suggested there is going ahead; meetings will be held when appropriate to discuss the various changes with the people concerned.

In the general area of French-language services I think we have to continue to push forward. I have never made any secret of this; I made a fairly lengthy speech on this coupled with the matter of our relations with Quebec back in April. I give members my assurance that I will be recommending continually that we push forward, as has been recommended, to provide better services for the Franco-Ontarian population of this province. We will be doing this in the appointment of co-ordinators, in the movement in ministries, in the movement in the courts and education and in all the other services.

I will also tell members something personal. I hope that before I relinquish this particular responsibility I will be able to recommend to this House some changes in the Canadian Charter of Rights and Freedoms that will include Ontario in some of the sections of that charter. I believe we can do this; I cannot guarantee it, but I hope it will be possible. Certainly on the basis of the record of this province we could easily recommend, and the Franco-Ontarians could be guaranteed in that charter, at least some of the rights that are now actually available in this province. I think this would be a significant guidepost and a sign, perhaps, to the people of Quebec who are doubtful about the kinds of things that are happening in this province.

As far as our relations with Quebec are concerned, my friend the member for Scarborough West (Mr. R. F. Johnston) asked when I last met the Intergovernmental Affairs minister from Quebec. I last discussed some matters with him in August at the Premiers' conference. In

April and early May we had a very detailed discussion about the relationship between our provinces. At that time we decided that we should establish working groups, either at the staff level, or in some cases at the ministerial level, between our ministries in Ontario and Quebec on a variety of problems and challenges which have existed between our two provinces.

Subsequently, some of those meetings were held. We decided we would carry on those matters of economic and trade interests in a traditional manner, but that we would not have discussions on constitutional matters because we had agreed to differ on those. Philosophically, we differ with their view of Canada's future and their place in it.

Putting that aside, we agreed that we should, and in fact needed to get together and talk about a number of things. A meeting was held in early September between the deputy ministers of the Intergovernmental Affairs ministries of both governments and a plan of action was worked out in a number of areas. These included established programs financing, acid-rain issues, securities regulations, racing commissions, energy matters, industrial development procedures, natural resources, French-language services, exchanges, the area of transportation, and so forth. There was a variety of issues and concerns to be discussed in meetings between our staffs, our deputy ministers, and in some cases the ministers.

Some of those meetings have already happened, some are now taking place and others will be taking place in an effort to restore some of the traditional accord which formerly existed between Ontario and Quebec.

Mr. R. F. Johnston: Is that available?

Hon. Mr. Wells: Is what available?

Mr. R. F. Johnston: Are the plans that you are working on available?

Hon. Mr. Wells: This is just from a memo telling me what they were. I could write you a letter to tell you what is happening. I will write to advise you of the discussion areas and what meetings are going on.

Mr. R. F. Johnston: I would appreciate that.

Hon. Mr. Wells: I think that kind of relationship can exist. I was visiting the Quebec office in New York last week and when I walked in somebody pulled out an Eric Dowd story which purported to show a plan of action by Ontario to improve relations with Quebec. It mentioned that one of the things we were going to do—and this was from some policy paper that had leaked

out somewhere—was to establish relations with those groups in Quebec who are opposed to separatism, particularly with the Liberal Party of Quebec.

Mr. Foulds: Why not? You have done it here and you have done it with the feds.

Mr. Breaugh: That is the same kind of relationship that you have here with the Liberals.

Hon. Mr. Wells: I have no animosity towards the Liberal Party, but I can understand that a government in power, no matter of what persuasion, would view with a little concern a suggestion by a government in another province that it will start building up relations with the opposition. We would probably look askance if we read in the *Montreal Gazette* that the Parti Québécois had decided to start liaising with Jim Foulds and Bob Rae and to talk to them about how they could build better relations in this province.

Mr. Wrye: Are they really going to do that?

Mr. Foulds: We would probably look at it askance ourselves.

Hon. Mr. Wells: It was obvious to me that they had read that story because they had photocopies of it with yellow markings all over it. Obviously it had been circulated to everybody in the government of Quebec and obviously they had been bothered by our attitude: that instead of dealing with the government we were going to deal with these other people.

I suppose this grows out of the fact of the close relationships that all of us had with the Liberal Party, the official opposition, at the time of the referendum. They were on the same side and we were fighting the government at the time.

That is a hurdle over which we have to jump in our efforts to build and continue relations with the Quebec government, and I think we can jump that hurdle. What we have been trying to do, and what I as the Minister of Intergovernmental Affairs have been doing with my Quebec counterpart on economic and trade matters, is to some degree beginning to regularize some of our relationships.

9:10 p.m.

Mr. Conway: I just want to say something quickly to the minister, Mr. Chairman. I want to reiterate what I have said in this House before, that on matters of French-English relations I think he has been exemplary and has led the government very well in many tough and delicate battles.

I take some personal exception to the inference he tried to draw from my remarks with respect to the appointment of the current agent general in Brussels. I really do take some exception to that. It is almost like saying my comments about Morley Rosenberg had some sort of anti-Semitic animus.

I have no quarrel at all with the elevation and promotion of Franco-Ontarians to offices within the ambit of the provincial government. I think that is all to the good. But I think the minister would want to share with me and agree with me, and if he does not a lot of people would, that when one sees a situation where a prominent member of a given organization or community leaves the neutrality of that past and enters the political arena, and then within weeks of that political orientation gets a major appointment, there is without any doubt a *prima facie* case, a very clear case for the public at large, that the principal attraction of the candidate was not his or her affiliation with a great cause, as we saw not so much in the appointment but in the letter written by the supplicant from the city of Kitchener in June 1982.

I have no reason to doubt what you have said about Mr. Déslauriers in ACFO or whatever. I accept all of that but I tell you that on the face of it the case was much more political than it was meritorious, though the latter may also have been the case.

I think that is the oldest roll of the pork-barrel that political parties of any persuasion could be found in association with. I would not want to leave it unanswered and would not want it left on the record that somehow my attack on that, and somehow my comments with respect to Mr. Rosenberg, or in this case Mr. Déslauriers, sprung out of some deep, personal wellspring of francophobia.

I want for the minister's benefit and the benefit of the member for Cochrane North (Mr. Piché) to have that point of clarification.

Hon. Mr. Wells: I am glad my friend said that because I did not want to cast any of that light over what he had said. I certainly was not attributing any of those motives or that back-ground to the remarks.

My friend is not the one who usually criticises Omer Déslauriers' appointment. It is usually his colleague the member for Ottawa East (Mr. Roy) who constantly reminds me about it. I would say the same things to him.

As the minister responsible, I made the final and ultimate decision that Mr. Déslauriers would be the person to go to Brussels and I felt it was a

proper thing. I just want to tell the member it is sometimes difficult in these positions when faced with people who have—

Mr. Mancini: Don't try to explain.

Hon. Mr. Wells: What I want to say and I think this is a very important point—

Mr. Mancini: It's pork-barrelling.

Hon. Mr. Wells: It is not pork-barrelling. If you were faced with these particular decisions, would you really say that because somebody decided to make some attempt at political activity he should be ruled out of consideration for a position?

I am not talking about any other position now but that of Omer Déslauriers, but the fact he happened to run at some time for some party does not suggest to me he should not be appointed. In the same light, I point out to my friend this same question was raised when Pat Lavelle was appointed. Someone said, "He used to be Allan MacEachern's executive assistant." To some people that would suggest he should not be considered for a job either. We rejected that in that particular case, and in Mr. Déslauriers' case we rejected the fact there would be criticism because he had run as a candidate in an election at one time.

Mr. R. F. Johnston: Mr. Chairman, it may surprise you that I have absolutely no interest in Omer Déslauriers' appointment at all, but I do want—

Mr. Wrye: You guys weren't even close in Ottawa East.

Mr. R. F. Johnston: It is not even for that reason. Omer and I have never been in agreement on policies, but the fact that he has actually worked hard for Franco-Ontarian rights from his own perspective is something I respect. I do not question the government's right to appoint him.

I do want to come back to the question of our relations with Quebec. I am heartened to see that there has been a systematic attempt to try to develop relationships on a broad range of matters. One of the aspects of which I was speaking was the role of this House and the members of this House, that is outside of the notion of government to government but rather as legislature to legislature. What kind of roles might we be playing and how could the minister's portfolio facilitate the kind of communication that we might be having as legislators to legislators?

Hon. Mr. Wells: Very quickly, Mr. Chairman,

I have thought about this since the time we had the committee on the Constitution and so forth, and I think that the best way for this House, all legislators of whatever party, to liaise with other legislators is through the Canadian branch of the Commonwealth Parliamentary Association.

I would like to suggest at some point that this House consider setting up a committee or group where those from all parties who are keenly interested in this kind of liaison can get together with the Speaker, who is the nominal, titular or actual head of this branch in Ontario, and working from that set up exchanges with the other provinces. That is the best way to do it.

Some of us have felt that we have not become involved enough in the process here in Ontario to be able to expand it to the other provinces. Our ministry tends to be dealing with the other Intergovernmental Affairs ministries, and if it is legislators to legislators that is a better vehicle to work through. It is an unused one as far as this Legislature is concerned.

A trip was arranged to visit the Alberta Legislature, and there were some exchanges with the Quebec National Assembly at one time. But those and many more could be arranged, and it would give us a good way of doing it without getting into any of the government or policy matters.

Mr. Kolyn: Mr. Chairman, I would like to mention one matter that has been brought up, and that is the appointment of Adrienne Clarkson to the Paris office. I do not know the lady or what her qualifications are or how good she is at her job. I have never evaluated her, but I had the opportunity of reading Allan Fotheringham's new book last night. In one of the paragraphs he states that Adrienne Clarkson is a card-carrying Liberal. I think the official opposition should know that. If Miss Clarkson is well qualified for her job, whatever she should be should not be the basis for her appointment.

Mr. Boudria: Mr. Chairman, I have just two very quick questions to the Minister of Intergovernmental Affairs. On April 17 a delegation from the government went to Ottawa as part of the Constitution day ceremonies. The delegation was composed of the Premier and Mrs. Davis, Mr. Leal, the Minister of Intergovernmental Affairs, the Attorney General, Mr. Dick, E. Greathed, G. Posen, J. Cavarzan, L. Hilborn and a D.W. Stevenson.

I find it unusual that in the context of that celebration it was not seen fit to invite the leader of Her Majesty's loyal opposition to an event which, after all, was not only a government

event but which should have been one to which all parts of the population were invited. Certainly members on both sides of the House represent the people.

I recognize the very excellent work done by the minister's deputy, for instance, in this case, but I find it unusual that it was slated that way; and perhaps the minister would like to tell us why it is, for instance, that he did not choose to invite either the Leader of the Opposition, the leader of the third party or representatives from all three parties to keep the Constitution day celebrations a truly nonpartisan event, like the deliberations we had in this House. I question the wisdom of having done that in that way. Perhaps the minister could clarify that for us.

I have one final question for the minister—

The Acting Chairman (Mr. Robinson): On the same matter?

Mr. Boudria: Yes; just one final question of a different tone and perhaps he can answer them both. I will be very brief.

9:20 p.m.

Hon. Mr. Wells: I will answer that one, Mr. Chairman. As I recall now, there were only 10 invitations to the official celebrations, and they went to the people who had participated over many years. We would have liked to have invited a number of people, and indeed the leaders of the opposition, but the federal government would not give us any more seats. We were very limited in the number of places we had there, and that was the reason those decisions were made.

Mr. Boudria: Okay. If I can ask—

The Acting Chairman: No, I am sorry. The time for the estimates has expired. We have been watching the clock rather carefully. We are now beyond that time.

The time for the estimates of the Ministry of Intergovernmental Affairs having expired, pursuant to standing order 46(d) I am required to put all questions necessary to carry every vote and item of the estimates.

Vote 601 agreed to.

Votes 602 and 603 agreed to.

The Acting Chairman: This completes consideration of the estimates of the Ministry of Intergovernmental Affairs.

ESTIMATES, MINISTRY OF REVENUE

Hon. Mr. Ashe: Mr. Chairman, I have a brief opening statement. I am very pleased to have

this opportunity to present the estimates of the Ministry of Revenue for 1982-83 to this House.

Before commencing a detailed examination of these estimates, I would like to review with the honourable members some of the significant program developments that have occurred relevant to this fiscal year and to outline several upcoming initiatives that will shape the ministry's fiscal and administrative direction in the future.

I believe the members will see in the points raised in my discussion a prudent and intelligent use of resources, exploitation of modern technology and a progressive management philosophy working to increase the ministry's productivity and sensitivity to our clients' needs.

First, looking at the 1982-83 resources to furnish an overview: As members are aware, since 1975 the government of Ontario has pursued an aggressive constraint policy through a selective reduction in the size of the public service and a close scrutiny of ministry spending. This policy is in keeping with the recognized need to minimize the impact of inflation on government spending and to improve the balance between the private and public sectors in the province's economy.

Of course, this government takes a back seat to none, including the federal government, which did not recognize restraint and constraint until very recent history.

This resource management policy of doing more with less has had considerable success, and I am pleased with the significant role that the Ministry of Revenue has played in this process over recent years. Again in 1982-83, the ministry continues to contribute to the realization of these important government aims. At the same time, however, my ministry has taken on important additional program responsibilities, several of which I will be describing shortly in my opening remarks.

I would like now to draw attention to the human resource summary and the expenditure summary tables in the briefing material that has been provided to the critics. They will observe that the human resource table describes the planned employment for 1982-83 by major program and is included with a comparison of the same figures presented to members for last year's estimates submission.

The table indicates that the ministry has made plans to increase its level of staffing by 119 man-years in 1982-83. I emphasize the word "planned" because, as members know, the ministry for a number of years has presented its

manpower estimates in terms of maximum staffing potential. This method presents most accurately our manpower needs for the consideration of members, who will understand that the actual level of staff employed is invariably somewhat lower because of vacancies and staff redeployment.

This maximum potential staffing concept is particularly important to the 49 man-year increase planned for the ministry's administration program. This increase largely concerns staffing strategies designed to accomplish an uninterrupted transfer of head office operations to Oshawa in early 1983. Most important, members will appreciate that this transfer must be achieved without disruptions of essential revenue flows and of services to taxpayers and municipalities. However, much of this provision may not be required as current employees move to their new location and staff are hired and trained to quickly and smoothly fill the positions of nonrelocating employees. I will have more to say on the impact of the Oshawa move later in my remarks.

The other major manpower increase, 108 man-years, occurs within our tax revenue program. This allocation is required to handle the expanded work load related to the implementation of ad valorem gasoline taxation and the coloured fuels taxation program as well as improved client services for Ontario's program of tax grants for seniors.

Members will note that increases in ministry staff levels attributable to the Oshawa move, tax revenue program initiatives and an expanded and improved tax grants program are partially offset by 38 man-years made possible by improved management systems and productivity gains in other areas of the ministry. Thus the ministry has held its staff levels to an overall increase of only 119 man-years for 1982-83 while dealing with steady increases in the volume and complexity of existing operations and while implementing a number of important new programs.

The second table in the briefing material to which I want to draw the members' attention is the expenditures summary. Members will see that this summary describes the 1982-83 estimates spending and compares it to last year's actual by major classification.

The table shows that for 1982-83 the ministry's total operating expenditure, excluding transfer payments, is up by \$18.4 million over last year. Salaries and benefits are up by \$6.4 million, a figure reflective of the higher level of potential staffing which I mentioned earlier,

overtime pay for assessors working on regional reassessments and annualization of salary awards. Travel, services and supplies are increased by \$10.6 million, of which \$9 million is related to relocation expenditures, such as Oshawa moving and commuting expenses for employees as well as furniture and equipment required for the new building.

Mr. T. P. Reid: What happened to the old furniture?

Hon. Mr. Ashe: You do not move into a Cadillac with the furnishings of a Volkswagen. You have to take advantage of what is there to utilize the increased capacity and capabilities of a 20th-century—

Mr. Breagh: That's an unfortunate turn of phrase.

Hon. Mr. Ashe: Yes, that is true. The Cadillac was fine, though.

The balance of the increase is attributable to new program initiatives in 1982-83. Thus the impact of inflation and work load increase on other ministry operations has largely been absorbed.

The result is that the demands for new programs and the relocation to Oshawa have increased the staffing and operating expenditure levels of the ministry; however, I point out that in a time of inflation and constraint, ongoing program staffing and expenditures have been clearly contained to enable the ministry to minimize the impact of the responsibilities and services I have described. In addition, the transfer payments to Ontario pensioners have increased by \$49.6 million in the form of grants for property and sales tax and home heating.

In view of these results, and keeping in mind the Ministry of Revenue's new responsibilities in 1982-83, I believe I am fully justified in stating that my ministry continues to prudently manage its resources and to maintain the level-line trend established in recent years.

9:30 p.m.

Resource management techniques for productive results: The success achieved by the Ministry of Revenue in its expenditure control is due in no small measure to the planning and control methods in use at all levels in the organization. In particular, I refer to the zero-base budgeting and management-by-results review processes in place in the ministry which have allowed managers to use our resources effectively to meet program objectives in the face of budgetary constraints and increasing work loads.

These resource management processes reflect

the principles and practices of good management that have been adopted generally as policy in the Ontario public service. Over the past 12 months, several major initiatives have been undertaken at the corporate level to help managers successfully meet the challenges and demands of the 1980s.

Two of these initiatives, the management standards project and the management-by-results improvement project introduced by Management Board of Cabinet, have defined guidelines against which effective management action may be measured. I am pleased to report that managers in the Ministry of Revenue have made significant contributions to the development of these government-wide management standards and that they have continued to refine and improve our internal processes.

Mr. T. P. Reid: Do you have performance appraisal in your ministry?

Hon. Mr. Ashe: Always; we are always appraising each other, each and every day.

For example, each year the ministry produces an operational planning manual to guide managers during estimates preparation. The manual has been further improved to give greater attention to such important elements as strategic and priorities planning, resource allocation and results reporting. Each of these components has been designed to meet the particular needs of the Ministry of Revenue as well as reflecting and supporting the government-wide management standards.

As a result of these improvements in the ministry's planning and budgeting processes, management has been able to exercise strict control over the use of scarce resources in achieving stated priorities.

Further, the ministry would be happy to provide copies of its resource planning manual to interested members.

In addition, I want to make a few remarks about the Ministry of Revenue's management-by-results approach. I have already mentioned the government's commitment to the MBR improvement project and, again I stress, my ministry's emphatic support of this important endeavour.

Each year the ministry documents the operational efficiencies, program outputs and program effects that are targeted for the budget year. In this, considerable emphasis is also placed on all in-year ministry communications with Management Board. Within the ministry, reporting systems are in place which enable the communication and recording of results achieved

by managers working in a decentralized management environment. These systems permit the flexible deployment of resources to make necessary tactical adjustments to meet in-year changes in our program priorities, such as implementing the Treasurer's budget policies.

It is my belief that this results-oriented management philosophy is crucial to the successful operation of a business organization like the Ministry of Revenue in a constraint environment. I am pleased with the tangible increases in productivity achieved to date, and I fully support our emphasis on continued development of stronger management systems in the ministry.

Mr. T. P. Reid: Can you table some facts and figures to back up the productivity you claim?

Hon. Mr. Ashe: The member has got a big, thick book and he will find them in there.

Technology applications to improve productivity: First, the ministry's overview.

Over the past 15 years, the computer has emerged as possibly the most important management tool in modern business organizations. The Ministry of Revenue has been quick to recognize the potential of automated production and information systems and, as a result, is now recognized as a leader in government in the utilization of advanced technology. This status has been achieved through a consistent commitment by senior management to investment in modern computer systems and other technical support facilities.

The result of these efforts has been a dramatic increase in both the effectiveness and the efficiency with which the Ministry of Revenue performs its functions. Within the past five years, as I have discussed, the ministry has absorbed a considerable increase in work load in terms of both volume and complexity while reducing staff levels and minimizing cost increases well within inflation rates.

Unquestionably this record of achievement would not have been possible were it not for the Ministry of Revenue's long-term investment in automated systems and similar technology. All major programs in the ministry now are supported by computerized systems, which form the core of our operation.

As in any leading private sector corporation, total expenditures for the maintenance, updating and introduction of new electronic data processing systems now represent some 15 per cent of the ministry's direct operating budget, and in my view it is money well spent.

Of course, computer-based technology is evolving very quickly and constantly, presenting new

opportunities for increased productivity. The performance of computers is increasing rapidly while the price is gradually falling. With the experience we have gained in recent years in improving performance through investment in technology, my ministry is well positioned and prepared to exploit these developments.

The opportunities that are emerging for these types of systems will provide the following benefits.

First, more rapid access to information. Customer service has been enhanced considerably in recent years as a result of direct access by video display terminals to the ministry's computer data bases. The ability of the ministry to serve its various client groups will continue to improve as this technology evolves, particularly in our Oshawa building.

Second, increased efficiency. Ministry investment in automated systems will continue to realize productivity gains and allow work load growth to be absorbed. Existing systems will be enhanced or redeveloped to increase their effectiveness.

Third, greater flexibility. Recent developments in technology promise to increase the flexibility and turnaround time with which the ministry can respond to legislative changes. This increased flexibility will allow the ministry to more readily implement changes in fiscal policy—changes that are critical in allowing the government to respond quickly to changing economic conditions and requirements.

To take advantage of the rapid evolution of information technology, the ministry early recognized that existing management processes and structures would have to be strengthened. Consequently the ministry has established organizational units that are responsible for planning technological changes within the major programs.

These various planning sections, supported by computer programming and systems design staff, have enabled EDP investment opportunities to be more quickly identified and have ensured that automation is tailored to the specific requirements of each operating branch.

This structure has also led to important decisions to achieve greater decentralization and flexibility within the ministry and particularly in its network of regional property assessment and retail sales tax offices.

As computer-based technology becomes more central to the needs of the ministry and as technological alternatives become more diverse and complex, a more integrated technology planning process will clearly be required.

In recognition of this emerging requirement, the ministry has formulated a technology strategy process to ensure that appropriate decisions are made regarding investments in technology and that a strong link exists between the government's corporate strategy and the ministry's own technology direction.

Mr. Conway: Can't they type more than three words on a line?

Hon. Mr. Ashe: Do not worry about it. That is for me.

An important further step is the establishment of a technology strategy committee, which includes the ministry's senior executives and management as well as directors of the ministry's technology delivery branches. In the current fiscal year the technology strategy committee is focusing on the development of a comprehensive information technology plan that will be implemented after the move to Oshawa and will direct the major investments in automated systems anticipated over the next five years.

The Ministry of Revenue recognizes that government traditionally has been labour-intensive, with operational planning focused on staffing and short-term budgeting considerations. As processes become more automated, however, government is being more capital-intensive and must adopt appropriate planning and budgeting methodologies. As the Ministry of Revenue's first step in this corporate process, Management Board has recently approved two important projects to develop a range of new management information systems.

9:40 p.m.

The first of these will develop more rigorous capital budgeting and long-range investment planning methods especially tailored to the government sector and comparable to those in use in the private sector. In undertaking this initiative it is the intention of the ministry to create a model for new management processes which will be required by government to meet the technological challenges of the 1980s. The experience which the Ministry of Revenue gains in developing these new processes will be shared by all ministries in the Ontario government.

Over the past decade, most of the ministry's automated systems were focused on our basic operational processes and can be broadly described as production data processing systems. More recently, opportunities have emerged to support management processes and enhance general office productivity through automated

information systems, commonly known as management information and integrated office systems.

The relocation of our head office to Oshawa will place considerable demand on existing communications processes and create significant opportunities for enhanced automated support. With the requirement for the ministry executive to spend much of their time in Toronto, it will be necessary to create a more effective and flexible communications system between the Toronto and Oshawa locations. At the same time, developments in office technology offer considerable opportunity to improve management communication on a more general level.

The office systems market, by some estimates, is expected to grow to \$30 billion by the middle of the decade. The government has recognized that Ontario companies must develop competitive advantages in this industry, particularly in the areas of word processing and telecommunications.

Development of this industry could allow Ontario to become a major exporter of automated office products. Sensitive to the fact that government support is critical to the development of Ontario's office systems industry, my ministry will implement its office communications network with the assistance of Canadian technology.

Assessment program: Last year I advised honourable members of steps taken by my ministry to expand the application of computer technology in the property assessment program, a project specifically known as the Ontario assessment system, or Oasys. Oasys will not only allow the property assessment program to further improve productivity, but will ultimately also allow municipalities to have direct access to our assessment data base, thereby improving their own efficiency.

I am pleased to inform members that this project has now also been approved by Management Board and has progressed to the prototype development stage in two of our regional offices. Since this complex system will be required to maintain assessment and enumeration data for every property in the province, our plans call for a careful staging-in process over a three-year period.

Between 1974 and 1981, the staff complement of my ministry's property assessment program was reduced by 20 per cent. Over this same period, the number of assessable units increased at an average annual rate of five per cent. While we have, to date, successfully reassessed 349

municipalities under our section 63 program, we are now entering a period of accelerated reassessment activity as more municipalities and regions take advantage of this option and seek to create equity within property classes. As you will know, this important program will result in a fair sharing of the municipal tax burden by removing inequities.

This emerging concern to increase productivity within a constraint environment points up the need for the immediate and innovative use of computer technology within the assessment program. We are meeting this challenge with such initiatives as computer-assisted mass assessment techniques for assessing a large percentage of single-family residential properties, the introduction of interactive processing and the use of a prototype approach for Oasys systems development.

The reassessment process will ultimately cover all properties in Ontario on a cyclical basis. This introduces an enormous calculation task that can be performed effectively only by computer systems. We will therefore introduce computer-assisted mass assessment for the majority of single-family residential properties in the province. Consequently, assessment staff will be able to devote more attention to the professional effort required to maintain high-quality assessments and to perform inspection and related tasks. Only in this way will my ministry's objective to deliver a high-quality assessment product to municipalities without staff increases possibly be realized.

Interactive processing introduces a direct connection between the user of the computer system and the system itself. The user does not serve the system; rather it is the system that serves the user. Terminals will be located in each of our 31 regional offices and will be used by staff to conduct what amount to conversations with the computer system. The computer will prompt, note errors, provide warnings, make reference material available and, on request, provide explanations. Use of this user-friendly system will allow assessors to use their time and professional skills much more effectively.

One of the important benefits of this project will be a simplification of error-correction procedures. In a system that maintains data on every property in the province, even a small percentage of errors has a serious impact. Data accuracy will become even more important if we are going to rely on the system to calculate revised assessment values automatically, and

this will be essential to meet our policy objectives within cost-containment limitations.

This interactive approach will also enable us to increase our level of service in that inquiries will be answered promptly because records will be available on the terminal screens. In the future we will be able to give local governments the facility to use our data base so that they can also make direct inquiries into certain restricted segments of the data we store on properties within their jurisdiction.

Mr. T. P. Reid: Isn't that a contradiction in terms?

Hon. Mr. Ashe: Never.

Mr. T. P. Reid: In certain restricted segments, but they can know about it.

Hon. Mr. Ashe: Within their jurisdiction; they cannot get into other jurisdictions.

A flexible interactive system will provide us with operational and management information quickly and efficiently. We will be able to obtain information selectively as we need it to analyse the quality of assessment, to determine work loads and to make policy decisions.

Clearly, though, our system must by definition be large and complex, and this introduces possible problems, such as failing to meet user needs, educating people in equipment use and the difficulty of determining the sequence in which information should be displayed.

Consequently, our approach is to develop a prototype system in an experimental environment, and systems staff are now doing just that in two regional offices. Both these offices are equipped with terminals so that different ways of displaying information and dealing with operational requirements can be tested. Systems specialists, assessors and assessment clerks are working as a team to develop a system that will best meet needs and make optimum use of computer technology. As well, our plans for actual implementation involve a comprehensive training effort and orientation programs.

The ministry's anticipated cost for developing this system over the three-year period will be \$4.8 million, an expenditure already carefully justified in our Management Board submissions. Indeed, our studies indicate that either the ministry must increase staff or it must exploit available modern technology if assessment quality is to be maintained and a continuing reassessment cycle successfully introduced. Clearly, the latter course is substantially more economical and efficient.

I believe the honourable members should

note that although contemporary arguments exist about the dehumanizing impact of modern technology, this assessment project will mean improved working conditions for staff and an enhanced professional environment.

Third, our tax revenue program: I have on previous occasions spoken to the honourable members about the widespread application of computer and systems technology to the process of tax administration. In particular, our retail sales tax Basys project and our corporations tax FACTS project are now maturing and returning substantial productivity gains in these two areas. As well, such technology has been instrumental in the administration of my ministry's benefit programs, such as Ontario tax grants for seniors, and I will be talking more about this shortly.

9:50 p.m.

However, as I have discussed previously, modern technology is also being adapted successfully within my ministry as a management and decision-support mechanism. This is amply demonstrated in our tax revenue program, where a recently created integrated planning and control system tool, known as IPACS, consolidates and makes available to senior management all the information pertinent to resource and fiscal control. In this way, IPACS allows managers to make decisions on such matters as priority budgeting, cash flow calendarization, consolidated financial status, personnel management and management by results.

The viability of the IPACS concept speaks for itself. From its beginnings as a prototype tool for the tax revenue program, it is now available to all Ontario government ministries, and in fact three ministries are using it with encouraging results.

The Ontario tax grants for seniors program: Since its inception in 1980, the Ontario tax grants for seniors program has had an increasingly significant impact on ministry operations. The fact alone that Ontario's senior citizens as a population group are growing in larger numbers than other age groups implies increased program complexity and grant volume.

Given this pattern of increasing growth and scope of the Ontario tax grants program, I would like now to discuss the status of 1982 application processing and the mailing of property tax grant cheques. As I stated in the House on October 29, 478,369 property tax grant cheques had been mailed that day. As of November 12, this figure stood at over 494,000,

which represents an increase of over 40 per cent in the number of property tax grant cheques mailed at the same time in 1981. It is my intention to complete the processing of all applications received by the end of this month.

There have been a number of very significant improvements in the Ontario tax grant system in 1982, some of which I mentioned in my October 29 statement. I would like at this time to review these improvements in more detail.

First, a number of changes have been made in the property tax grant application form to facilitate its completion by seniors. In 1980, almost 40 per cent of returned applications submitted to the ministry were not fully or accurately completed. This resulted in changes to the application form in 1981 that further reduced the error rate to approximately 22 per cent. In 1982, as a direct result of further redesign and some market testing of the 1982 application form and instruction sheet, the error rate has fallen to approximately 11 per cent. Our efforts in this area have produced appreciable benefits for our senior citizens, as applications are now processed more quickly and grant cheques issued in a reduced turnaround time.

A second major factor in the success of this year's program has been the maturation in the development and implementation of our computer and electronic data processing systems. Two features merit particular attention.

First, there has been an improved system of processing returned applications. Previously, applications submitted to the ministry that were found to be less than fully or accurately completed were subject to manual and data entry recycling until all errors or omissions were corrected. This resulted in delays in application processing and subsequent mailing of the property tax grant cheque.

Enhancements in the 1982 program involving an on-line data entry facility have greatly reduced this problem. Once an application has been entered into the computer system, all corrections, changes or additions are now performed electronically. This new processing system ensures complete control of and access to application data, and facilitates a more expeditious conclusion to processing and to the mailing of grant cheques.

A second derivative of improved computer and EDP facilities has been the introduction of our request for information letters. Before the 1982 campaign, returned applications submitted to the ministry that were deficient in informa-

tion required manually produced letters to be sent to the applicant. Because of the large volume of such applications, the demand for manual letters resulted in delays in generating a timely interaction between the ministry and its senior citizen clients. Enhancements in the use of automated features of our new processing system have now facilitated almost instantaneous dialogue with these seniors.

As applications are reviewed by ministry staff, those found to have simple errors such as no signature, no occupancy cost or no principal residence address are assigned a unique code identifying the type of error found. When this code is entered into the computer system, a letter to the applicant is generated automatically. The letter explains what information is required to complete the processing of the application and is accompanied by an instruction sheet which provides further assistance.

In addition, the letter also contains the key information recorded by the senior on the returned application and asks that the information be reviewed and corrected, if necessary. This allows the senior not only the opportunity to provide the necessary information, but also to confirm the validity of information previously reported, thereby further ensuring the accuracy of all data processed.

For applications with more complex errors, ministry staff may choose up to three of 25 paragraph inserts stored within the computer system for use on a letter sent to the applicant. The paragraph inserts for such letters are requested on-line via a computer terminal and have the same features as mentioned previously. Letters are then produced automatically by the computer system and mailed to the applicant in either French or English, as specified by the applicant.

I am pleased to report that of the more than 14,000 requests for information letters sent to date, over 85 per cent have been returned by the applicant. Of these, over 95 per cent have been correctly completed, as requested.

These improvements in our computer and EDP facilities are very much in line with the ministry's strategic priority to optimize the use of emerging technological advancements. As a result, significant savings in additional salary costs will accrue in future years and our continued emphasis on strengthening customer service will be further improved.

In an effort to fully harness the resources devoted to programs administered by the ministry, our guaranteed annual income, or Gains as

it is known, and Ontario pensioners' property tax program, or OPPTA, were split into two distinct management streams. This allows the energies of staff to be totally dedicated to the delivery of a specific program and has thereby increased the effectiveness and efficiency of program delivery.

Last year, at November 3, the ministry had completed the processing of 421,000 out of 513,000 applications received to that date. This year, of approximately 534,000 applications returned, processing has been completed for 495,000, an increase in absolute terms of 74,000 and a percentage increase of over 17 per cent. Expressed another way, there were still some 92,000 property tax grant applications requiring further processing on November 3, 1981. However, on November 3 this year, there were fewer than 39,000 applications needing further action, an improvement of almost 58 per cent.

Mr. T. P. Reid: Could we have a little order, Mr. Chairman?

The Deputy Chairman: Yes. I would ask the honourable members to respect the order of the House and allow the Minister of Revenue to continue without these interruptions in the background.

Mr. Breagh: Maybe the deputy whip should do his job and round up a quorum.

Mr. Piché: That's what I'm doing right now.

Mr. T. P. Reid: Otherwise the 39,000 applications that are not being processed will all be in your riding.

The Deputy Chairman: Order.

Hon. Mr. Ashe: It is worth noting that due to file growth between 1981 and 1982, 20,000 more applications were mailed to pensioners this year than last.

Fuel colouration: I indicated earlier that a portion of the man-year growth in our tax revenue program is attributable to the implementation of our coloured fuel legislation. A few words now about this program and its impact on the Ontario petroleum and trucking industry.

First, I wish to advise that implementation of this program proceeded as planned on September 1 without any major problems. Honourable members will recall this program is being introduced as an equitable, cost-beneficial method of reducing motor vehicle fuel tax evasion. Additionally, the measure has had a significant deregulatory impact in that over 100,000 registrants previously required to be fully or partially

registered under the Motor Vehicle Fuel Tax Act have been removed from the tax rolls.

The majority of these former registrants are farmers and small business; in other words, those least able to cope with requirements for the filing of returns, reporting, record keeping, etc.

Positive though this program may be in strictly deregulatory terms, clearly its intent is to eliminate the interchangeability of middle distillate fuels between taxable and exempt uses. In this way, the fuel colouration program is expected to reap significant financial dividends to the province.

10 p.m.

Mr. T. P. Reid: And costs the taxpayers and the fuel distributors millions and millions of dollars, to say nothing of their pain and suffering.

Hon. Mr. Ashe: There is a difference between an expense and an investment. Even you should realize that.

Mr. Chairman, in introducing fuel colouration it is recognized that it may in some instances have a cost impact on specific businesses that cannot easily absorb that. Therefore, to alleviate the possible financial impact on these areas, the following comprehensive compensation package has been developed.

First, for those 75 businesses colouring fuel, 30 cents per kilolitre is provided for each kilolitre of fuel coloured by them;

Second, for independent bulk plant operators requiring realty tanks and ancillary equipment as a result of the program, reimbursement of those tankage and ancillary equipment costs to a maximum of \$65,000 per tank;

Third, for independent tank truck operators requiring separate compartments for coloured and noncoloured fuels, reimbursement of modification costs to a maximum of \$65,000 per tank truck.

Finally, my ministry will soon be expanding our compensation program to reimburse independent bulk plant operators requiring realty tank modifications, again to a maximum of \$65,000 per tank.

In addition, in recognition of the impact of this program on the farm community, the ministry has made available the above compensation programs to farmer co-operatives. Further, a program has been instituted to reimburse farmers for additional tankage where need is demonstrated and where the farmer was registered under the Motor Vehicle Fuel Tax Act as

drawing both taxable and exempt fuel from common farm storage.

My ministry will continue to modify and fine-tune the fuel colouration program to further minimize the impact on the province's petroleum industry and to ensure that the bottom line objective of reduced tax evasion is achieved.

I would now like to turn to a brief review of my ministry's administrative response to implement the corporations tax holiday announced by my colleague the Treasurer (Mr. F. S. Miller) in his May 13 budget. As members will recall, this initiative is designed to assist small businesses during these difficult economic times.

Corporations with active business income which qualifies for the small business deduction under the federal Income Tax Act pay no Ontario income tax on that income for two taxation years ending between May 13, 1982, and May 14, 1984.

At the same time, the Treasurer announced that Ontario would follow the federal proposal to increase both the annual limit for such income to \$200,000 and the total limit to \$1 million, thus further increasing the potential value of the exemption.

To get cash back into the hands of small business entrepreneurs as soon as possible, provision was made for corporations to claim a refund of any instalments that may have been already paid in the first of the exempt years. This provision meant that my ministry had to be quickly prepared to accept claims for refunds. A method was needed not only to validate and record refund claims, but also to mesh with the main corporations tax system so that the latter could recognize these special transactions and be able to calculate the correct instalment base in future years.

I am pleased to report that this challenge has been met swiftly and with top-level results. Using recent developments in computer programming technology, a system of recording, editing and tracking such requests was quickly established, and a small group created to handle the unavoidable paperwork. The system became operational on June 7 and the first refunds were paid on June 24. By the end of August, this unit had managed to put itself out of work, at which time it was disbanded after paying out \$16.3 million in immediate refunds. Any remaining claims for refunds are now handled by regular staff.

In closing my remarks about the corporation tax, I would be remiss were I not to mention our

recently reissued and redesigned corporations tax guide; a very attractive-looking piece of information. This publication presents in unequivocal language the answers to those corporate income tax and capital tax questions commonly asked by persons setting up new corporations in Ontario. In this way, our new corporations' tax guide continues to be an important customer service tool, contributing in a major way to the stability and certainty of the corporate tax system.

Next, I would like to discuss the property assessment program and a look at several recent, high-impact initiatives and their cost implications.

First, let me draw your attention to the printed estimates for the property assessment program which indicate a total 1982-83 estimate of \$74 million, as opposed to the 1981-82 figure of \$62.3 million. This difference can be expressed as an apparent 19.5 per cent increase.

However, I would point out that the \$74 million includes one-time funding for a number of items and projects which will not require further funding commitments in subsequent years. These items are as follows:

First, \$1.4 million for the OASYS project that I discussed earlier. This money has been obtained under the incentive program and must be repaid;

Second, \$1.86 million for implementation of the proposed farms and managed forests property tax reduction program, which was subsequently deferred and the funding withdrawn from our budget;

Third, \$1.7 million for the initial cost to produce a tax impact study for Metropolitan Toronto council.

Therefore, taking these issues into account and noting that a further \$6 million of the program funding increase is caused by annualized salary and benefit increases, our real assessment budget is actually up by less than two per cent.

I need not point out that inflation during this time period has exceeded 10 per cent, subsequently diminishing program purchasing power. Further, inflation factors on direct operating expenses have meant that manpower levels within the program have had to be decreased by approximately 23 man-years.

It is important that the honourable members keep this in mind as I detail some of the significant assessment program achievements of the past year and outline the key initiatives being undertaken.

The basic mandate of the property assessment program, to provide assessment rolls to municipalities for the purpose of generating

operating revenue, is well known to the honourable members. These rolls also form the basis for the distribution of provincial grants in support of education and local government. In this constraint environment, municipalities are becoming increasingly dependent upon the assessment base to raise sufficient tax revenue to meet taxpayer needs.

In this regard, the property assessment program has played, and will continue to play, a significant role in strengthening and enhancing the municipal assessment base.

Two important program priorities in this regard are supplementary assessments and appeals defence. Some 150,000 supplementary assessments were issued during 1982, generating millions of additional tax dollars. These supplementary assessments have provided a welcomed additional flow of revenue to municipalities throughout the province.

With regard to assessment appeals, the property assessment program defends an average of 150,000 appeals annually, involving some \$200 million tax dollars. While we have, by and large, done well in defending these assessments, it is evident that successful commercial and industrial appeals are increasing in those municipalities where frozen and antiquated rolls are still in place. This success rate is not surprising, in that commercial property owners retain appraisal experts to substantiate their appeals. Of course, the end result is that a significant portion of the tax burden is inevitably shifted on to residential ratepayers.

10:10 p.m.

Clearly, then, one central objective of the assessment program must be to improve the integrity of the assessment base, thereby reducing municipal tax base erosion. We can do this in three main ways.

First, section 70 of the Assessment Act allows for reassessment at full market value. Over the past eight years, 138 municipalities in Ontario have been proclaimed at full market value. Most recently, the assessment rolls for the district municipality of Muskoka and the district of Parry Sound were updated to 1978 market value and reassessed in 1980 for 1981 taxation purposes.

Second, subsection 63(3) of the Assessment Act provides for the equalization of assessments within property classes in a municipality. Since that particular program, popularly referred to as a section 86 reassessment, was introduced in 1979, it has been successfully implemented in 349 municipalities. This year, approximately 70

municipalities are considering its implementation for 1983 taxation.

Third, my ministry has worked closely with the fiscal policy committee of the Association of Municipalities of Ontario in evaluating the feasibility of county-wide and region-wide section 63 reassessments. I am pleased to inform you that very shortly I will propose introduction of the necessary amendments to the Assessment Act to provide for this type of reassessment.

The benefits that would accrue to regional, county and municipal governments with this system are twofold. On the more obvious plane, a current reassessment at market value will afford a fair and defensible basis on which taxes can be levied; and second, the problems associated with the apportionment of shared costs among constituent municipalities would be addressed by the introduction of uniform mill rates for region, county and school purposes. This would mean, for example, that similar properties of comparable value will pay the same amount of taxes for school and regional purposes, no matter where they are located in a region.

As I previously stated, the Ministry of Revenue has received partial funding for preparing a Metro-wide property tax impact study. This study was undertaken in direct response to a request from Metropolitan Toronto council. Metro council's objectives in requesting this impact study were to remove inequities in Metro Toronto assessment rolls, and to ensure that similar properties of comparable market value pay similar Metro and school taxes.

This study represents the first time that my ministry has addressed a reassessment on a regional basis. The regional municipalities of Waterloo and Haldimand-Norfolk and the county of Perth have also requested similar region-wide studies which I have promised for next year. I also am aware of many other jurisdictions that are considering such a region-wide or county-wide reassessment.

The Metro Toronto study is based on 1980 market values developed for all 487,000 properties, which translate into 947,000 separately assessable units that represent the extremes of complexity found in the province. Indeed, this study represents the largest single valuation project ever undertaken by the ministry's property assessment program. The impact study will allow Metro politicians to evaluate the pros and cons of introducing a long-overdue reassessment.

These three approaches which I have just discussed, namely, market value reassessment,

section 63 reassessment and county-wide and region-wide reassessment, collectively work to produce equitable assessments and a defensible base upon which taxes can be levied by municipalities.

In fact, by the end of this year, well over half of the province's 838 municipalities will have been reassessed using market value as the basis, both under our section 63 reassessment program and by proclamation. I think the members will agree that over the last four years, considerable progress on the property assessment front has been achieved.

Another mandate of the property assessment program is to undertake an enumeration during municipal election years. A full enumeration of the province began on Tuesday, September 7, and the field work was completed on September 25, 1982. This enumeration produced a preliminary list of electors for the municipal and school board elections held on Monday, November 8.

Because of the very short time period available to municipal clerks for printing and posting the lists, the ministry made a commitment to the Association of Municipal Clerks and Treasurers of Ontario to deliver the lists as early as possible. Consequently the first of these were delivered on September 29 and all were in the hands of municipal clerks by October 6.

In all, the 1982 enumeration process saw 10,683 enumerators call on approximately 3.2 million homes, collecting or verifying information on over 8.5 million people. This resulted in approximately 3.7 million changes to the data in the assessment program computer files. The total cost of this year's enumeration is expected to be in the region of \$4.5 million. Given the high-quality data obtained during only a three-week period, I think the honourable members would concur in my evaluation of the 1982 enumeration process as an unqualified success.

Another important priority of the property assessment program is to improve services and information to ratepayers, municipalities and school boards. Over the past year, ratepayer services have been significantly enhanced. For example, a new feature on the assessment notice this year is a message alerting ratepayers to changes in their assessments.

With regard to supplementary assessment notices, we now include a new information pamphlet that explains in clear terms the purpose and basis on which the assessment was made as well as the ratepayer's means of appeal. This is particularly important since the supplementary assessment triggers an additional tax

bill within a few weeks. I believe it is worth while noting that municipal tax collectors have been most appreciative of our efforts in helping ratepayers understand this special municipal taxing provision.

On a similar front, the assessment program will be introducing a new pamphlet later this year that explains in easily understood terms each part of the computer-generated notices of assessment. This pamphlet will accompany the 1982 assessment notice sent to every owner and tenant of real property in Ontario.

On the subject of assessment notices, I am considering limiting their distribution next year. In response to ongoing financial constraints and the need to refine the targeting of notices, I am considering mailing annual notices of assessment to owners and tenants of real property only when a change has occurred in any of the recorded information on the previous year's assessment roll.

Another ratepayer service measure introduced earlier this year provides increased accessibility for taxpayers to assessment staff. This initiative, which is to have an assessor available in the municipal office one day each month to discuss assessment-related matters with ratepayers, is particularly relevant to rural and northern Ontario. I should acknowledge, too, that this suggestion emanated from the advisory committee on assessment data services, comprising 10 representatives from five important municipal and school board organizations.

Further, on the advice of this same advisory committee, the assessment program has made available free of charge to municipalities and school boards up to five microfiche copies of the assessment roll. Additional copies will be made available on request at cost.

Last year I announced the development of the assessment program policy manual, which outlines the operative procedures used in the valuation of various property types as well as the process followed for such activities as enumeration and a section 63 reassessment. I am pleased to report to the members that this manual is now for sale to the public. Certainly I believe this publication will be of particular interest to tax agents, appraisers and others similarly involved in the assessment process.

As well, the assessment program will be issuing a new publication in 1983, entitled *A Guide to the Assessment Act*. This guide will provide clarifications on each portion of the act and will summarize court decisions relevant to each section. This guide will be of instrumental

assistance to our property assessors throughout the province and will also be for sale to the general public.

In concluding my rather brief remarks about the property assessment program I would point out to the members that each of these latter customer service measures will provide a significant contribution to my ministry's freedom of information program and increased accessibility for ratepayers.

Head office relocation to Oshawa: I am sure that the honourable member, my critic from the third party will be most interested in this segment.

10:20 p.m.

I would like to turn now to perhaps the most significant event on my ministry's agenda during the current fiscal year. I am referring, of course, to the relocation of our head office to Oshawa.

I am pleased to report to the honourable members that after much careful planning, late this winter the 1,550 head office staff now located at 77 Bloor Street West in Toronto will move their base of operations to our new head office building which has been constructed in downtown Oshawa.

I believe this precedent-setting head office relocation outside the boundaries of Metropolitan Toronto heralds a future bright with promise and achievement for my ministry. I am convinced that its implications will resound for many years as the potential of our new building and location is realized and the Ministry of Revenue embarks on a new and exciting era of technological achievement in the administration of our statutes and an enhanced level of customer service to the residents of Ontario.

Since the relocation of our head office was announced by the then Treasurer, Darcy McKeough, on April 5, 1977, I have had a deep and abiding interest in this project, first as the member for Durham West, and latterly as the responsible cabinet minister.

The decision to relocate evolved in response to this government's policy with the brief but forcefully descriptive title of "Go East." This "Go East" policy was developed in the early 1970s as the cornerstone of a broader government belief that regions throughout Ontario, and not only Metropolitan Toronto, should have available to them the employment and economic stimulus associated with the presence of major government functions within their boundaries.

The Ministry of Revenue will become the third largest employer in Durham region after

General Motors and the Durham Board of Education. In addition to economic stimulus through job creation and the infusion of government spending expected as a result of the relocation, the decision to build in downtown Oshawa is regarded as an added bonus. The central business district location is contributing significantly to the revitalization of the commercial heart of Oshawa.

About 10,000 square feet of prime retail space on the ground floor of our building will provide modern shopping convenience for prospective customers and will act as a stimulus for future commercial development in the city core.

When the move is completed by the end of March, it will mean that each and every working day of the year there will be a work force of some 1,550 in our new building at 33 King Street West in Oshawa. The impact both on Revenue staff and on the local community will, of course, be significant.

Next, there is purchasing, and this breaks down into three distinct areas.

First, there is the ministry itself. Like any other large organization, we consume a vast number of goods and services, and we know many of these can be provided locally. Consequently, we are making a deliberate and concerted effort to identify Durham suppliers and to ensure that our purchasing policies and procedures are known to local companies.

The next purchasing category is that of goods purchased by our own staff moving into the Durham region. Unquestionably, they will need the usual variety of goods and services such as houses, cars, groceries, entertainment and clothes, and I am sure this injection of consumer spending will be welcomed by local merchants.

Finally, there is the local purchasing conducted by our daily commuters. This is a different kind of market, one with perhaps more immediate short-term expectations. Certainly, though, I think it will be an interesting challenge to downtown Oshawa businessmen to develop marketing strategies which will positively and successfully correspond to the needs of this group.

A few words now about the building itself:

Our head office relocation project presented a one-time opportunity to have designed and constructed a building that would be expressly

geared to the functions which my ministry performs.

The relocation also allowed the ministry to examine all aspects of automated office technology and to determine the kinds of computer and telecommunications equipment which might be incorporated into the new building.

As well, considerable attention has been paid to achieving a high level of energy efficiency and conservation which are maximized in the Oshawa building through a sophisticated heat reclamation and recirculation system.

This system is complemented by extensive use of conventional insulation materials and technology, resulting in one of the most energy-efficient office buildings in existence anywhere.

As well, an atrium extending through the middle of the building serves as a passive solar collector, while the lighting standard of 100 foot-candles has been reduced to 75 foot-candles.

Collectively, these and other sound energy conservation principles will work to provide a building expected to consume no more than nine kilowatt-hours per square foot per year. As a matter of comparison, a conventional "spec" office building of the 1970s consumes an average of 60 kilowatt-hours per square foot per year.

I should add in closing that the energy-consciousness aspects of our new Revenue building have not gone unnoticed internationally, and the building's architect is actively marketing these construction principles in several countries.

This concludes my introductory remarks, brief as they were, on the 1982-83 estimates for the Ministry of Revenue. I believe the comments I have made are crucial to a fair understanding of the resource and dollar figures presented here today.

Earlier, I referred to the initiatives and issues raised in this introduction as being both fiscally and administratively appropriate responses to the challenges of the contemporary economic scene. Now, I shall be pleased to provide members with further information in responding to any such questions they may have.

On motion by Hon. Mr. Wells, the committee of supply reported progress.

The House adjourned at 10:30 p.m.

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Ontario LEGISLATIVE ASSEMBLY

No. 144

Legislature of Ontario Debates

Official Report (Hansard)



Second Session, Thirty-Second Parliament

Tuesday, November 16, 1982

Afternoon Sitting

Speaker: Honourable John M. Turner

Clerk: Roderick Lewis, QC

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LEGISLATURE OF ONTARIO

Tuesday, November 16, 1982

The House met at 2 p.m.

Prayers.

ACCESS TO LEGISLATIVE BUILDING

Mr. Renwick: Mr. Speaker, the document I have in front of me with respect to security provisions in this building is dated February 6, 1980. I do not know whether it is the latest one or not. Outside this building, there are about 125 members of the Union of Injured Workers who have come to express to this assembly their concern about some of the matters touching upon their welfare in a very real way.

I went outside in order to speak with some of my friends there and I was astounded to hear that some edict had come forth that only 20 members of that organization would be permitted into the galleries of this assembly. In their discussion about that edict, they very wisely decided that they would be able to come into this assembly either all together as a group in their capacity as citizens of this province or in their individual capacities as citizens, but they would not allow a selection process to be imposed upon them by which only 20 could come into the House.

I recognize, as does every member of the assembly, the importance of the security provisions of this Legislature. Nobody underestimates that. It is not some selfish concern for our individual personal safety; it is a fact of life at this time. But these men and women do not belong to some kind of group that this assembly should exclude from an opportunity to be in this assembly when the House is in session.

Surely either the whips of the three parties, the House leaders of the three parties or you, sir, at a convenient time, with your staff and with the representatives of the security group, could arrange, for example, for each member of this assembly to sign two of the slips that we have for admission to the gallery and be the host to one or two of the citizens of the province who are outside this assembly.

On the other hand it may be that in your discretion you could in these circumstances raise the edict and, with the usual admonition that people in the galleries are not allowed to participate, simply permit those citizens, who

have a very real sense of a desperate social condition that needs redressing and can be redressed only by this assembly, the opportunity to be with us in this chamber as members of the public.

I would ask that an immediate solution be found to this problem.

Mr. Speaker: Thank you very much. I do not want any honourable member to lose perspective on the statements the member for Riverdale has made. In actual fact, I received a phone call after one o'clock this afternoon asking for permission for a group to attend question period. I immediately checked with the tour guides to see how many visits had been previously scheduled.

We have no objection to members of the public coming in and attending on the House; I want to make that very clear. I also want to make it very clear that it has nothing to do with security. That was not the reason the decision was made. It was made purely on the basis of accommodating those people who had made previous arrangements. I think if people want to attend this building, they have to take their chances on getting in, in accordance with the previous arrangements that have been made.

I thought it was fair, after having determined the number of visitors we were going to have or expected to have, that 20 was a reasonable figure. It had nothing to do with security, it had nothing to do with the people involved; it was purely a personal judgement in the matter of accommodation—strictly.

Ms. Copps: On the same point of order, Mr. Speaker: I too had the opportunity to meet with the workers outside and I might add that not only were they not allowed to come into the building as private citizens but even the leaders and spokesmen for the group were at first refused admittance into the building. I might point out that justice must not only be done, it must also appear to be done.

When you suggest there are only 20 spots in the gallery, obviously it is for those injured workers to take their chances about the possibility of seating. But when you have a ring of police officers and security officers preventing the admittance of even one in two of their major

spokesmen into the building, then you can understand why these workers are concerned and why they feel that their rights as private citizens have been abrogated.

As the representative of the riding of Hamilton Centre, I feel that if I have constituents who happen to be among that group who would like to see me in my capacity as a legislator it is not for the Speaker to decide that they cannot enter the building out of consideration for seating capacity. Obviously the representatives themselves must take their chances, like everyone else in the public gallery. Nevertheless, what has been seen by those workers is a government that not only refuses to allow an increase to which they are justly entitled but will not even open its doors to allow their case to be heard by individual members.

Mr. Speaker: Order, please. Let me make it very clear that it was not a decision of government in any way, shape or form. The people who were outside were engaged in a demonstration. Our security people have instructions on how to handle that type of occasion. They were quite within their rights in doing what they were doing.

If people want to come in to visit their members or anybody else, or to sit in the galleries as individuals, there is nothing to stop them, nothing at all. But we will not allow demonstrations of any kind inside this building.
2:10 p.m.

Ms. Copps: Mr. Speaker, on the point of order—

Mr. Speaker: No. I think it has been dealt with and it really was not a point of order. I think you all know the rules.

Ms. Copps: As I understand it, the person who was responsible for not admitting those people was acting at the discretion of the Speaker and on the instructions of the Speaker.

Mr. Speaker: It may come as a complete surprise to you, but I do have jurisdiction and authority over the security in this building. Having said that, all the rules are available to each and every member on a typewritten sheet, as they are available to our security people. There is no secret.

Mr. Renwick: Mr. Speaker, do you intend to deal with my point of order?

Mr. Speaker: With all respect, I think I have dealt with it. We are not stopping people in any way from attending this building or from attending on individual members. As I said, I made my decision to limit the numbers having regard for

the spaces that I felt would be available to accommodate them. It is as simple as that. It had nothing to do with security. It had nothing to do with the group itself. I want to make that very clear.

Mr. Renwick: I accept your decision, sir, and I understand the communication that you and I are having on the issue. Since we sit for many hours every day of the week in this assembly with nobody in the galleries, would it be possible for me to request you to reconsider your decision in the light of this discussion?

Mr. Speaker: Maybe I did not make myself very clear. I said there is nothing to stop individuals attending this building, either to see members or to sit in the galleries, or whatever. It is a public building. There is nothing to stop that at all. I made my decision on the basis of prior arrangements for accommodation. It is as simple as that.

STATEMENT BY THE MINISTRY

SALE OF RENTAL UNITS

Hon. Mr. Elgie: Mr. Speaker, since my undertaking in the House on November 4 to make a fuller statement about my course of action in respect of the Cadillac Fairview sale of rental properties, a great deal has occurred which has undoubtedly influenced public opinion and the opinion of many members of this Legislature.

At the outset, I think I should say that the use of the term "Cadillac Fairview sale" is somewhat unfair to that company, as the problems with which I wish to deal do not arise so much from the sale by that company as from the subsequent resales. However, the series of transactions has been identified in the media by that name and, for convenience, I will continue to describe it in that way.

The most upsetting development, in my opinion, was the resale of the Cadillac Fairview properties, not once but twice, and each time with substantial amounts of refinancing being involved. In singling out this aspect of the developments since November 4, I do not intend my words to be taken in any way as meaning that I do not attach a great deal of concern to the possible effect these sales could have on the rents and therefore on the tenants in these buildings. This obviously is a matter of paramount concern to me, and I will be addressing it presently, but what I want to emphasize in my initial comments is the very real challenge we face in our efforts to administer the rent review process equitably.

Some of the media, in commenting on the sale, have spoken about a loophole in the rent review process. This conclusion is based, I believe, on a lack of understanding of the basis on which the rent review program was established. Nowhere is there any provision within the Residential Tenancies Act that suggests it was also intended to prohibit the sale of rental properties. Nor am I aware of any endorsement of that idea by any political party or municipal politician prior to the sudden demand for its application to the Cadillac Fairview sale.

To the contrary, it has been my experience, especially in talking to representatives of tenant groups, that the justification put forward for maintaining the guideline at six per cent—a figure which, I might add, speakers on all sides of this House have found at one time or another to be too low—was that the landlord was accumulating profit in the form of capital gain in the appreciating value of the property. If this argument has any validity, it is obvious that the only way such accumulated profit can be realized is if the landlord sells the property.

I am sure the members opposite are well aware of the fact that the Residential Tenancy Commission does not allow a landlord to pass on to his tenants any costs associated with an increase in a mortgage which is designed simply to remove the accumulated increase in equity from the building. In this regard I would remind the House that mortgaging out an equity, as it is called, has been a common practice in the administration of rental units since long before we introduced rent review.

I am also sure that after the lengthy and careful review of the bill in 1979, carried out, need I remind the House, by a committee and a Legislature in which the opposition had the majority of members, it cannot now be said that this aspect of the administration of rental units was overlooked. Rather I would suggest to the House that the sale of rental properties was to be allowed as a legitimate commercial practice. The very fact that there have been many hundreds of rental buildings sold in the years since the Residential Tenancies Act was introduced without any suggestion that the sales be set aside or prohibited, is evidence that such sales were not objectionable in and of themselves.

There is a need, therefore, to look beyond the Cadillac Fairview transaction to the broader issues involved. For example, let us remember that many people in this province have, as part of their retirement planning, invested in rental buildings which they operate or have operated

for them. Some are dependent on the income stream for their livelihood and many of them may very well wish at some time to sell their interest and use their capital in some other way. This has been an accepted part of the investment activity in the province for years and it is not one that we should now sweep aside in our haste to protect a particular group of tenants in a specific situation.

My understanding of the function of the Residential Tenancies Act is that it was intended to prevent unfair increases in rents during what has now become an extended period of shortage in the rental accommodation market. Unfortunately, in our economic system it is extremely difficult to create artificial restraints in some areas without causing some other unwanted effect elsewhere.

In the case of the control of rental housing, we now have a situation where the return on this form of investment is less, and in many cases much less, than can be earned in other markets. Conversely, a higher rate of return can be earned with far less risk and effort in many areas of investment than is possible through the ownership and management of rental properties. This has, I believe, resulted in the market value of rental buildings being depressed, particularly in the short run.

This is another way of saying that investors who are looking for a reasonable and immediate return on their investment will not be attracted to our rental real estate market. However, as we have now seen, there are foreign investors who are looking for longer-term return on their investment in a place of certain political and economic stability, and who are apparently attracted by the rental market in Ontario.

It is in the context of this much larger issue of housing supply and management in Ontario that we must look at the Cadillac Fairview sale. It is mindless simply to demand that a sale be stopped or that rents be frozen. The provision of housing is a large and important industry in Ontario and unless the members opposite are advocating that the government turn the provision of housing into some gigantic public utility run by the government, then they too have an obligation to propose solutions to the present situation that recognize the role played by investment by the private sector.

We on this side of the House wish to keep as much of the housing stock as possible in this province in the hands of private individuals. This may require us to make what, at the moment, may be less popular decisions than

those that the members opposite are inclined to make, safe in the knowledge that they will never be in a position of having to implement them or to bear the ultimate consequences of them. My approach—

Interjections.

An hon. member: You've got them going, Bob.

Hon. Mr. Elgie: I have them going.

Interjections.

Mr. Speaker: Order.

Hon. Mr. Elgie: My approach to the problems created by the Cadillac Fairview sale is based on the belief that any solution must be fair to both tenants and landlords and that it must prevent the present market situation in Ontario from becoming a happy hunting ground for fast-buck speculators. In doing so, I must admit that we are attempting to reconcile various interests that are and will be very difficult to reconcile. I do not have all the answers nor am I aware of anyone else who does. The suggestions to date from the members opposite clearly demonstrate that they have the same problem.

Turning to the specific steps I will be taking in the short term, I would like to relate them to different types of problems that have been identified as a result of the Cadillac Fairview sale.

1. The greatest public concern over these sales is the potential impact on rents that may arise out of the cost pass-through of the profits taken out of these properties. To ensure that there will not be an inequitable pass-through of these profits, I propose to do two things.

First, I will be introducing a rent restraint bill that will cover the present situation until a more detailed and thoughtful solution can be put in place. This bill will provide that the maximum rent increase attributable to a pass-through of financing costs arising out of a sale of rental property will be limited to five per cent during the term of the bill.

The bill will also suspend the application of the provisions of the Residential Tenancies Act that provide for the apportionment of a rent increase among the various rental units in a rental complex, again for the period of action of the bill. This will further assist in avoiding excessive rent increases. It is proposed that the bill apply to all applications to the Residential Tenancy Commission made after October 31, 1982.

Second, I wish to announce that the Residential Tenancy Commission has developed a num-

ber of new guidelines that are being distributed today for use by commissioners immediately. Included in the new guidelines are the following:

(a) Where a rent increase is based on increased financial costs arising out of a sale of the rental property, the cost pass-through to the tenants may be spread over five years instead of the three-year period now being used.

(b) Where a landlord's cost recovery is spread over a period of years, the interest charges on the costs not covered by rent increases may be disallowed as a financial cost.

(c) Where a residential complex is resold within three years of its acquisition, the increased costs arising out of the resale may be deferred until the increase in costs arising out of the first sale have been built into the rent, but in no event shall the costs arising out of any resale be built into the rent within three years of the immediately preceding sale. For the purposes of this guideline, a sale includes the transfer of a right to buy the residential complex.

2. As I indicated earlier, the proposed rent restraint bill is intended to be an interim measure to deal with the immediate situation until we can find a more permanent solution. In order to provide the widest possible input into the process of finding better solutions to the current problems of our housing market, I wish to announce that Stuart D. Thom, QC, formerly the treasurer and now a lifetime bencher of the Law Society of Upper Canada, will be appointed to conduct an inquiry under the Public Inquiries Act.

The commissioner will have broad terms of reference to look into the application of the existing laws to the regulation of rents and to make recommendations on changes that will eliminate or reduce any of the inequities that have been found in the present system.

Once again, I would emphasize that the purpose of this review is not to find ways to advantage either landlords or tenants, but rather to come up with the most equitable set of rules for the control of rents and related problems as is possible. I have asked the commissioner to make his report at the earliest possible date and have encouraged him further to bring forth interim reports and recommendations during the course of his review so that the government may act on his advice without undue delay.

The first of two areas of particular concern to me on which I believe an interim report would be helpful is the problem of taking into account the effect of rent increases that have been granted to cover costs that are incurred over

only a short period of time. If a particular cost that has justified a rent increase ceases to exist, then there should be a procedure by which this change in circumstances can be taken into account and, in appropriate cases, the rent reduced accordingly.

The second area of particular concern to me is the absence of a registry of rents. So long as no one can adequately track the rent changes from tenant to tenant, it is extremely difficult to determine whether the six per cent limit on rent increases made by a landlord alone has been honoured.

I would like the commissioner to give early attention to steps that could be taken to permit the use of section 33 of the Residential Tenancies Act. This section provides for such a registry, but members may recall that it was not proclaimed as the enforcement provisions relating to it were affected by the decision of the Supreme Court of Canada on the validity of the act.

In the expectation that we will be able to introduce comprehensive legislation no later than the fall of 1983, the proposed rent restraint bill will be sunsetted to expire on December 31, 1983.

3. At the same time as the commissioner is reviewing the current rent review legislation, the Ministry of Municipal Affairs and Housing will be carrying out a thorough analysis of the overall housing market and examining conditions prevailing in both rental and private housing areas.

It is imperative that all of Ontario's citizens be treated equitably, whether they are renters or home owners, and therefore all aspects of housing must be examined. The ministry will present the commissioner with its findings on the relationship of the market to the rent review process, together with its recommendations for improving the availability of housing, private and rental, multiple and single unit.

The issue is a complex one, with each segment of the housing market relating directly to the next, and with all three levels of government involved. Because of this, the state of the rental housing market cannot be viewed in isolation, neither in isolation from the rest of the housing market, nor in isolation from the role the federal government has played and must play.

4. An additional question arising out of the Cadillac Fairview sale which I must address myself to because of my responsibilities for loan and trust companies and also because of its impact on the eventual level of rents that may be

justified by the sale, is the question of the value of the properties for mortgage purposes.

Under the Loan and Trust Corporations Act, an Ontario trust company may not lend money by way of mortgage where the property providing security for the loan is mortgaged to more than 75 per cent of its value. I am sure that many members have read or have heard the various media accounts that have speculated on this question of value. Several persons identified as experts in the field have given somewhat divergent views on what the value of these properties really is.

As this is a matter of considerable importance to the administration of the Loan and Trust Corporations Act, I have, pursuant to my powers under section 152 of that act, appointed James A. Morrison, of the firm of Touche Ross, to make a special examination and audit of the books, accounts and securities and to inquire generally into the conduct of the business of the several trust companies involved in providing mortgages for the Cadillac Fairview sale. In accordance with the provisions of section 152 of the Loan and Trust Corporations Act, Mr. Morrison will have the powers of a commissioner under part II of the Public Inquiries Act for the purpose of his examination audit and inquiry.

To provide the necessary legal assistance in the process, the law firm of Fraser and Beatty has been retained as counsel. As the findings of this review may have some impact on the most recent sale and on the assessment of the rent review process in general, I will be referring the report made by Mr. Morrison to the commissioner, Stuart D. Thom, for his consideration.

In respect of this review, I would like to say that some of the companies involved in this series of transactions have offered to provide us with their full co-operation and I do not expect the section 152 review to be a lengthy matter.

In conclusion, I wish to emphasize again that we are not dealing with a simple problem that lends itself to easy solutions. I sincerely hope we can arrive at solutions that do not compromise the interests of both the tenants and the landlords in ways that may not be acceptable to either.

Our goal is to come out of the various reviews that I have just outlined with recommendations for improved legislation that will enable both small and large landlords to manage their properties fairly and with a reasonable return on their investments, while at the same time ensuring that the tenants are fairly treated by the process.

Ideally we will also be able to maintain a market for rental real estate that will be attractive to investors and that does not depend for its success on the taking of large short-term profits or on the imposition of sudden and massive increases in rent.

Ontario has always been an equitable society within which people could live and pursue their own lives as well as a safe and profitable place for investment. In my opinion this is a balance that we must preserve.

2:30 p.m.

ORAL QUESTIONS

SALE OF RENTAL UNITS

Mr. Peterson: Why are the Minister of Education (Miss Stephenson) and the Treasurer (Mr. F. S. Miller) not applauding the minister, Mr. Speaker? It is, of course, the typical government response: a little temporary legislation and a royal commission; but here we have three or four royal commissions looking further into this matter.

Mr. Speaker: Question, please.

Mr. Peterson: It is obvious that in response to any question I ask the minister he will say that he is studying it or that someone he has appointed will be studying it over some period of time. But he does not appear to have addressed the major issue that caused this whole dispute in this House, and that is the circumstances surrounding the deal itself, the so-called Cadillac Fairview deal.

The minister is aware, for example, that today Alderman Sewell has pointed out some very serious discrepancies in the affidavits that were filed with respect to the Bulk Sales Act, once on November 1 and again on November 3, in court-filed documents quoting a price on two different occasions: one is \$270 million and one is \$500 million. He is aware also, and he has admitted it, that one Mr. Rosenberg—

Mr. Bradley: Who?

Mr. Peterson: Leonard Rosenberg—has misled him to some extent in this situation. Does he not feel that he has an obligation to look into all the details of this deal while he is looking into these various other matters?

Hon. Mr. Elgie: Mr. Speaker, first, I did not say that I was misled; I said the member could draw his own conclusions from the remarks I made. Second, I think it should be apparent that it is not a matter of this minister or this government choosing a royal commission because

there is any expediency involved. Quite frankly, under the Loan and Trust Corporations Act, I, as the minister, have an obligation to see that the terms and requirements of that act are lived up to. If the Leader of the Opposition is suggesting there is something improper in my doing that, then I think he needs further advice on that issue.

Also, if the member thinks the measures that have been proposed through guidelines and through the bill are not significant measures, then I suggest he talk to some of the landlords and owners of property who, because of his resolution in the House, he has had write to us all on this side about it. All right. Very frankly, if he does not think the issue of the adequacy of the rent review legislation we have in this province, and the conflicts that existed as a result of the Supreme Court of Canada rejecting part of it, warrant a nonpolitical review, then I have to wonder why he wants it reviewed.

Mr. Peterson: I asked the minister about Mr. Rosenberg, and I gather he does not want to answer that question.

An hon. member: Ah.

Mr. Peterson: Well, the Rosenberg brothers have done a lot for this government.

Mr. Speaker: Supplementary, please.

Mr. Peterson: Is the minister aware of, and has he investigated, the spread of this cancer into other areas? Is he aware that there have been other major purchases in Kitchener and in London that the government's friends, or at least the principals at Kilderkin Investments, are involved in, and that it appears again that there is foreign money going into those particular areas? So the problem is not isolated to Toronto only. Is he investigating those purchases?

Hon. Mr. Elgie: Let me just review what I have said on previous occasions. What has concerned and distressed many of us in this House has been the large size of this sale and the fact that there were two transactions that took place in addition to the A to D sale.

The Leader of the Opposition and I both know, as do other members of the Legislature, that buildings will be sold in this province today, tomorrow and from now on. I do not think it is the job of the Minister of Consumer and Commercial Relations to sit on every deal in the province to check it out. The parties have obligations to make sure that the terms are appropriate.

An hon. member: What a cop-out.

Mr. Speaker: Order.

Hon. Mr. Elgie: If my friend does not think those who are involved in quick flips have a very clear message from this government and from this minister today as a result of my statement, then he had better read it again, because I have to tell him that it imposes very severe restraints on those resales.

Mr. Rae: The minister is fast becoming an expert on quick flips.

Hon. Mr. Pope: That's an old line from Ottawa, Bob.

Hon. Mr. Ashe: You wore that out in Ottawa.

Mr. Speaker: Order.

Interjections.

Mr. Martel: Throw them another fish, Alan.

Mr. Speaker: Question, please.

Mr. Rae: The circus is open.

Hon. Mr. Ashe: You're dragging out the old chestnuts.

Interjections.

Mr. Rae: The circus is back in place, Mr. Speaker.

Interjections.

Mr. Rae: The lion trainer is after me, Mr. Speaker.

I would ask the minister to turn to page 7 of his statement. I would like to ask the minister for clarification of his statement where he said on page 7: "This bill will provide that the maximum rent increase attributable to a pass-through of financing costs arising out of a sale of rental property will be limited to five per cent."

I wonder whether the minister can confirm a couple of things for me to make sure I have understood this correctly.

First of all, is that one sale or two sales or three sales? In other words, is it possible that each sale could have attributed to it a five per cent increase? Second, can the minister confirm that, in addition to the five, 10 or 15 per cent, there are other costs, plus the six per cent allowable increase, which are also being allowed to be passed through by the landlord? Is that correct?

Hon. Mr. Elgie: Mr. Speaker, the ordinary and existing guideline of six per cent, which permits a landlord to impose a six per cent increase in rent without going to rent review, remains. If a landlord chooses to go to rent review to prove he has cause to justify a higher increase, then the only amount that will be added to rent as a result of any financing costs will be five per cent.

Other operating costs will be treated as usual with one exception, in that a further guideline issued today will require very strong evidence that—

Mr. McClellan: He can go back a second time.

Hon. Mr. Elgie: No, he cannot go back.

An hon. member: It will be dealt with on an annual basis.

Mr. Breithaupt: Within one year?

Mr. Speaker: Order.

Hon. Mr. Elgie: Mr. Speaker, what I was saying was that operating costs, as otherwise, will be evaluated by the commission to justify them with one exception, in that there is a new guideline today which will require very stringent proof that major renovations, or indeed renovations, are either under way or there is a firm contract with a specified date of completion.

Mr. Peterson: Will the minister not agree with me that there are still a number of outstanding details that he is not going to be looking into and that should be looked into, given the size of this transaction?

I draw another one to the minister's attention. The minister is aware that the agreement between Cadillac Fairview and Greymac Credit expressly forbade Greymac from assigning the agreement; so obviously Greymac was in violation of the agreement. There appear to be so many violations, so many conflicts of interest—the mortgagee is at the same time one of the vendors, for example—and many non-arm's-length transactions, not just involving the trust companies but also involving the principals. Would the minister not agree we need a thorough investigation of how this happened?

2:40 p.m.

Hon. Mr. Elgie: First, let us be very clear in understanding that the rent review process allows for a thorough review of arm's length transactions, and this House and the tenants of this province have my assurance this will be deeply and thoroughly reviewed. Let there be no doubt about that.

Second, if there was some breach of contract between Cadillac and Greymac, I would suggest to the member, as a lawyer, that it is a problem for Cadillac to see whether the agreement was breached. Whether there was any breach under the Bulk Sales Act is a matter that the Attorney General (Mr. McMurtry) is aware of and is having reviewed. As the member knows, the Bulk Sales Act aims at protecting the creditors

as a result of a sale or transaction, and I guess the issue is whether the subsequent transactions required exemptions the way the first one did. That is the issue the Attorney General will be addressing and will be prepared to comment on.

JOB CREATION

Mr. Peterson: Mr. Speaker, I have a question for the Treasurer. It has now been 19 days since he suggested he would be coming to this House and responding to the federal proposals. In that time, 17,000 Ontarians have lost their jobs. It has been six weeks since he promised some kind of job action. In that period of time, 40,000 people have lost work in this province. When is the minister coming forward in this Legislature with a job creation program?

Hon. F. S. Miller: Mr. Speaker, the honourable leader assumes I had specific proposals from the federal government to which I could react. I did not. We have been working quite hard, in fact right across the weekend, to get more specifics. Mr. Axworthy is seeing me in person tomorrow. I trust he will clarify a number of the outstanding areas of confusion and that will allow me to respond.

Mr. Peterson: Does the minister not feel somewhat irresponsible at least, in the way he is quoted in the press today as blaming Quebec for stealing from him, and setting up that phoney kind of an argument that I have seen come from certain people of his ilk? I have seen it before and I resent it. Does the minister not think he should take this opportunity to stand up in the House and apologize for that kind of ridiculous statement?

Hon. F. S. Miller: Any time the member cannot make points with his head he makes them with his mouth.

The truth is, Mr. Speaker, I did not make any accusations. I was asked whether I thought—I think this was a question posed to me in the scrum—if Ontario had 490,000 jobless and Quebec had 420,000 jobless, that \$120 million was a fair amount. I said I did not know how they did the arithmetic to arrive at the Ontario share. I think those are the words in the press, accurately stating what I said. They then asked, "Is that normal?" I said that is often the case. There appear to be more ministers from Quebec in the cabinet than there are from Ontario.

Mr. Rae: Mr. Speaker, I wonder if I could ask the Treasurer a very simple question. In his answer to the first question from the leader of the Liberal Party, he said he did not have

sufficient time to react to the federal proposals. I wonder if he can tell us why he sees himself in a totally passive role and why he has to wait for federal proposals simply to react. Does he not think he has a responsibility himself, and that the government has a responsibility itself, for creating jobs in this province without having to wait for somebody else to tell them what to do?

Hon. F. S. Miller: Mr. Speaker, I have not waited for a response only. While the member was not here, we were quite busy working in Ontario creating jobs. We put about \$0.5 billion out there while he was sitting up in the bleachers. We have been working quite hard creating jobs. We stimulated sales in housing, for example, to the point where the seventh best sales record in the history of the Toronto Real Estate Board was reported last month.

Mr. Peterson: Is the minister going to come back to this House day after day and say it is not his responsibility? My original question was when was he going to respond. He did not answer that.

Would the Treasurer not agree that the situation is sufficiently severe that it is going to require a very dramatic move on his part? Whether the federal government gives him \$120 million or \$140 million, he has an obligation to put in very much more than that to address our problems here in this province.

Would the Treasurer not agree that, given the savings he will achieve through his restraint program, some \$400 million to \$800 million, depending on whom you talk to, by paring down wasteful government expenditures, and by including doctors in the restraint program, we could easily come up with a \$1 billion program for jobs now? This could create 100,000 man-years of work here when we need it, in this province over the winter.

Hon. F. S. Miller: I was trying to point out that we did go ahead, whether the Leader of the Opposition likes it or not, with a major program in my budget. I did say—

Mr. Epp: That was Suncor.

Hon. F. S. Miller: Just a second; let me finish.

Mr. Speaker: Order.

Hon. F. S. Miller: On September 21 I said, and the Premier (Mr. Davis) said the same thing that same day, that in the absence of any federal program we would be bringing forward some Ontario initiatives.

Mr. Breithaupt: That was two months ago.

Hon. F. S. Miller: I still have not had any specific details from the federal government on how they intend to spend the allocation.

We have been working quite well. I hope members on that side of the House would think it is better for the two governments, at this time of very real economic distress, to do their best to work out a joint program than to fly off in all directions.

We have been doing that. We have been doing something the opposition very seldom accuses us of doing: that is, trying very hard to formulate a policy with the federal government in the interests of all the people in Ontario who are out of work.

Mr. Rae: Mr. Speaker, I have a question for the Premier. Given that 900 jobs a day have been lost in Ontario since his Treasurer's budget, how can he explain to this Legislature the extraordinary delay in bringing in measures that will provide a serious job strategy for the province this winter and for the years to come?

Hon. Mr. Davis: Mr. Speaker, at the outset I would like to express my apologies to the new member for York South. I must confess that before being informed that he had selected yesterday to take his seat in the Legislature, I had assumed certain obligations, not of a public nature but involving more of a domestic responsibility. I really did make every effort to get here by two o'clock, but I was delayed; and I would like to take this occasion to welcome the member here and to say how much we are looking forward to his participation.

I think, in fairness, that the Treasurer has really answered the question in many respects, but I shall endeavour to amplify what he said, as is sometimes my custom. I would say to the new leader in the House of the New Democratic Party—

Mr. Breithaupt: The third party.

Hon. Mr. Davis: Pardon?

Mr. Speaker: Never mind the interjections, please.

Hon. Mr. Davis: Mr. Speaker, I thrive on interjections, and the new leader is sort of waving to his troops behind not to interject. I would give him some friendly advice at the outset. If he thinks he can control the member for Welland-Thorold (Mr. Swart), the member for Sudbury East (Mr. Martel) or any of them when it comes to interjections, he has another think coming. He just will not be able to control them.

Mr. Rae: What about your guys?

Hon. Mr. Davis: I do not try to control them. They are free, independent people who can speak their own minds.

Interjections.

Mr. Speaker: Order.

Hon. Mr. Davis: Mr. Speaker, they are interrupting me.

I think the Treasurer outlined the approach of this government. I know the new leader feels we are passively waiting for the federal response. I can assure the honourable member we have made many direct communications with federal ministers.

2:50 p.m.

Actually, in August the Premiers of this country made some specific suggestions in terms of a national approach to economic recovery and, as the member for York South understands, we have not yet received a positive response to what I think would be a desirable objective, that is, having the governments of this country come together to see if we cannot hammer out some common approaches.

The government of Canada in its wisdom or lack of it, depending on one's perspective, determined it would go its own route. It announced in the nonbudget of Mr. Lalonde certain initiatives in terms of dollar amounts with some rough indication as to the directions it would be pursuing. The Treasurer has informed the House as recently as seven or eight minutes ago that he will be meeting with Mr. Axworthy tomorrow to try to clarify and define those areas where the federal government is establishing some measure of priority.

We are concerned that we do not want to duplicate and we do not want to fragment. We want to make those determinations in terms of trying to prioritize the issues and seeing where we can best allocate the funds. We are as anxious as anyone else to alleviate some of the existing problems, but the leader of the New Democratic Party, who over the years has been something of an expert in matters economic, I am sure understands when he relates some of these figures that the economy of this province is still very vulnerable to economic conditions in many other jurisdictions.

I know he has not heard me say this before but some of his colleagues have because I tend to single out the auto sector as one of the examples. We have explored certain alternatives over the years, and have done so very recently, with respect to the auto sector. Whatever route we were to take here in terms of the number of jobs

in Windsor, St. Thomas, London, Brampton, Oshawa, Oakville, etc., it is quite obvious that improvement would really only be effected when the upturn in the American economy led to greater consumer demand. The member is aware of these figures. Eighty per cent of that production is sold in the United States' market. That happens to be 25 per cent of the economy of this province.

If the member feels we should not be attempting to work in a co-operative sense with the national government, that we should just do our own thing, I understand that point of view; I simply happen to disagree with it. The Treasurer has a meeting tomorrow. I expect after those discussions we in turn can become definitive as to what our proposals will be to this House.

Mr. Rae: I knew it would be like trying to pin jello to the wall, but I did not know the jello would keep changing colour in the course of the answer.

Mr. Speaker: Supplementary, please.

An hon. member: Very funny.

Mr. Rae: I would like to simply—
Interjections.

Mr. R. F. Johnston: Fascinating, fascinating.

Mr. Rae: I would like to ask—

Hon. Mr. Pope: Throw him out, Richard.

Hon. Miss Stephenson: Help him, Jimmy,
help him.

Interjections.

Mr. Speaker: Order.

Mr. Rae: The Blue Army chorus is at it again. We have heard from them before.

Hon. Mr. Eaton: Shaking like jelly.

Mr. T. P. Reid: That didn't take 15 minutes.
Interjections.

Mr. Rae: I have all day. I do not mind this.

I would like to ask the Premier a very simple question. How does taking \$1,000 out of the pockets of a worker in a nursing home or a hospital help that person buy a car?

Hon. Mr. Davis: I am not sure that is a supplementary to the main question—

Mr. Rae: It is supplementary to the answer.

Hon. Mr. Davis:—but I will make some effort to answer and I will not reply to the member's delightful, constructive comment.

Mr. T. P. Reid: But as soon as you think of something you will reply.

Hon. Mr. Davis: I have never made any apologies for my substance and it will take a

bigger man than the member to nail me to the wall in whatever form. I do not apologize for my many colours either.

It is not our intent to take "\$1,000 out of the wages"—I think that is the correct way to phrase it—of workers in our nursing home system or in our hospitals.

I am sure in the honourable member's third supplementary, which I know he has prepared well in advance, he can place before me certain specific situations in terms of individual cases. I would only say to the member, as we do our rough calculations, that Bill 179 provides some measure of flexibility for those people at the lower end of the income scale.

His colleagues in the Ontario Federation of Labour were in this morning and we had a very constructive meeting. One of them referred to the fact that somebody had called in on a radio show that he or she was earning \$3.45 or \$3.50 an hour and how this legislation was going to have an impact upon that individual. I pointed out that there was nothing in that legislation which would preclude that individual from receiving 10 or 11 per cent, perhaps even 12 per cent, by way of increase in his salary for next year.

I also pointed out, when one of the member's colleagues raised this matter with me, that when one is talking about the economy in a general sense, and while the member is trying to argue that by our legislation in the public sector we are reducing consumer demand or taking money out of the system, that—and I will give him the example because I know he has not had a chance to read Hansard. Take the public sector as it relates to the teaching profession in the city of Brampton.

Mr. Martel: Here we go.

Hon. Mr. Davis: Listen. I think it is important that he understand this.

Mr. Speaker: Order.

Mr. Martel: That's a lot of nonsense because it doesn't work that way.

Hon. Mr. Davis: I would say to the leader of the New Democratic Party, there is no question that the secondary school teachers in my town—and I have heard from them—will not receive as much in part of 1983 and part of 1984 as their contract provides. No question. But I say with the greatest of respect that, in the tax levels where many of them are located, and taking into consideration the fact they have security of employment, and the fact that they are already at a fairly high income level in my humble

opinion, this legislation will not reduce their consumer demand. But I will tell the member what it will do.

I am not happy about the legislation; I made that clear this morning—but its impact on the mill rate in the city of Brampton for educational purposes will be significant to the extent that the rate will not increase. There are far more people and consumers in the city of Brampton whose income levels will be disturbed less by mill rate increases because of our legislation than there are public servants, even if one includes all of those excellent employees out at the Vanier Centre and the other public institutions in our community.

One sometimes neglects the other aspect of what the restraint program does and that is to diminish the impact of mill rate increases on hundreds of thousands of real property taxpayers. That is leaving money in the system.

Mr. Peterson: Mr. Speaker, in his answer to the original question, the Premier lamented the fact that the auto industry was down and he said,—I do not think I am putting words in his mouth—“As soon as the auto industry comes back, as soon as the demand comes back, we will start producing cars and all those jobs will be returned.”

Hon. Mr. Davis: I did not say that.

Mr. Peterson: Some of those jobs will be returned. The Premier seems to pin all of his hopes on the auto industry every time this question is asked, so let me ask him this. The Premier is aware, of course, that there have been layoffs of some 47,000 workers in that area. He is also aware of studies in his own ministry indicating that even if the demand comes back to pre-recession levels, that industry will employ 20 to 30 per cent fewer people than it did at that peak. That still gives us a major public policy problem: How are we going to deal with that 20 or 30 per cent; those people who will never go back to work in the auto industry? What is the Premier going to do for them?

Hon. Mr. Davis: It is amazing what a little competition in the House does in terms of the “my, my” and “what are you going to do for them?”

Mr. Speaker, I would only say to the leader of the Liberal Party that I did not say what he said I said. That is not new; it is not unique. What I was trying to do for our new colleague in the House was take the auto sector as being an example of how the market in the United States

had a very significant impact on our flexibility in terms of what a government could do related to the auto sector. I did not say that the auto sector would return to its, say, 1977 or 1978 levels, whatever they were, when the market in the United States returned to normal. I do not recall saying that. If I did during the course of this afternoon's discussion, I stand corrected. But I happen to know that I did not say it; so I know he will not try to correct me.

3 p.m.

I think I tried to portray for the member that in terms of that sector, it was significant. It is not the only sector in Ontario; believe it or not, I understand that. When the auto sector returns to normal, whatever the definition of that word may be, whether there will be fewer jobs or more or whether the status quo may be achieved again, I cannot honestly answer.

Certainly we have had some studies. I recall very well a study that the member keeps referring to, and others made some specific references to American Motors. That was an internal study that was done some two years ago. I have to tell the honourable members, American Motors is surviving; it is still there. It is going to be there several years from now, in my humble opinion. Those studies are not always accurate. I hate to confess that government studies are not always accurate, but they are not.

In terms of our capacity in this province for retraining, we have the technical facilities and the programs. I know the members opposite will not believe this but, in terms of our ability to provide these programs, I do not think our flexibility and our physical plant are superseded by any other jurisdiction in North America.

Mr. Rae: The budget of the Treasurer was as inaccurate and as unhelpful to the economy as was the MacEachen budget that preceded it. I would like to ask the Premier this—

Hon. Mr. Timbrell: You brought in that government.

Mr. Rae: The member opposite says I brought in that government. I would like to—

Hon. Mr. Pope: You are not going to do it, my friend.

Mr. Speaker: Now for the question, please. Order.

Mr. Rae: It was the Treasurer's name that was on all the Liberal ads, not mine. I want to point that out. Pierre Trudeau's best friend is sitting right over there.

I want to ask the Premier whether 14 workers sharing 280 weeks of work to set up and paint shooting ranges at the Crean Hill Gun Club, and

eight workers sharing 128 weeks of work to improve the site on the Trans-Canada Highway of the Coniston Curling Club in Sudbury are examples of the kind of imaginative job creation program we can now expect from this government.

Hon. Mr. Davis: Mr. Speaker, I would say to the honourable member that when he asks a question of this nature, he might relay to the members of the House the many other programs existing in the Sudbury area and perhaps consult with those who are involved in those programs as to whether they think they are of substance or meaning.

The member is not going to trap me into saying I know nothing about the two items he referred to. He may think I am a little bit naïve because he has been playing in the major league for so long. I have news for him: He may find this is more of a major league than where he has been.

Mr. Rae: That was a good answer on job creation in Sudbury. I am sure it will come as a lot of solace to the thousands of unemployed people up there. I am sure they will really enjoy and appreciate it a great deal.

SALE OF RENTAL UNITS

Mr. Rae: Mr. Speaker, I wish to put a question to the Minister of Consumer and Commercial Relations.

Can the minister confirm that after all is said and done in his statement, apart from job creation for a number of lawyers and accountants, which I am sure will come as great solace again to the workers of Sudbury, the bottom line of this government's policy and attitude is that because some private company is able to sit for two or three weeks and shuffle paper and realize a significant profit of \$100 million, \$200 million or \$250 million, the costs of that refinancing and that transfer, whether it is over three or five years, are ultimately still going to be paid for by the tenants of this province. Is that the bottom line?

Hon. Mr. Elgie: Mr. Speaker, we should review just what I said. I have an obligation as the minister in charge of the Loan and Trust Corporations Act to be certain the valuations placed on the property are accurate. Once that has been determined, and once that final report is in, then the member might ask a second question about what the value of the property is and what we are going to do about it. I do not have those answers yet.

But the point I sincerely want the member to

take from this is that within the legislation that is in my ministry, the Residential Tenancies Act, the guidelines that have now been promulgated by the commission will act as a severe deterrent to the transfer of property in rapid succession in the way we have seen on this occasion. That is the bottom line. I say that quite honestly and frankly.

Mr. Rae: If the minister will turn to page 8 of his statement and look at the so-called guidelines in which he takes such pride, he will see that every one of those guidelines is merely permissive. The words "may be" occur throughout under A, B and C: "may be," "may be," "may be." Maybe; maybe not. Can the minister tell us why these guidelines are permissive, and will he not agree that because they are permissive they do not provide any guarantee for tenants at all?

Hon. Mr. Elgie: If that is so, I wish the member for York South would meet with the landlord groups that complain the previous three-year guideline was being too rigidly enforced. But he is quite right: Each landlord, each person presenting a case, will have the opportunity to put forth a good argument why it should not be five years. But, by and large, the commission, even with its three-year guideline, has followed it and on occasion has gone to five. I think the guidelines as they exist even now are being fairly rendered and this extension of time adds even more to the stringent requirements that will be placed on those who appear before them.

Mr. Peterson: Mr. Speaker, on page 8 of his statement, why is the minister prematurely announcing a five-year guideline rather than a three-year guideline for the pass-through when he is bringing in a temporary bill to limit the pass-through of financing to five per cent of the rent only? Why would he not wait until the expiry of his original restraint bill, until he has a thorough review of the situation as it is, before coming up with his new policy, whether it is a five-year, three-year or 10-year pass-through? Is he not running in conflict with his own situation?

Hon. Mr. Elgie: Mr. Speaker, first, if the Leader of the Opposition reads the guidelines, he will see that they apply as of today. Therefore, hearings on sales or resales that have occurred in the past months will be dealt with under the new guidelines. Second, the message is very clear that the size of this sale and the particular transactions that took place have had a serious impact on me and on the government.

We are endeavouring to make it clear that

this type of multiple transaction is not something that we think is reasonable in a society that is talking about restraint and about rewards on the basis of productivity. Clearly, we are saying that this kind of pass-through, allowing large profits to be taken in a hurry, is not something I personally think is good for society, nor is it good for the process.

Mr. Rae: If the minister thinks this is a clear message to anybody, he must be kidding himself.

In the face of the kind of speculation we have seen over the past two months in the Cadillac Fairview deal, and over the past six to eight months in many other deals, if the government really wants to bring in a clear message to speculators; why does it not reintroduce a land speculation tax?

Hon. Mr. Elgie: The member may have his own views, but I submit to him that this will be looked upon as being very oppressive and as having the same effect as the land speculation tax. If he wishes to ask questions about that, he knows the proper minister to direct it to.

LAKE SUPERIOR POLLUTION

Hon. Mr. Norton: Mr. Speaker, I wish to respond to a question raised yesterday by the member for York South, particularly in view of the fact that, as it was communicated to me outside the House yesterday, he expressed both shock and depression at the fact that I did not happen at the moment to have the information at my fingertips. I hasten to assure him that the reason for that was that the matter he raised is one that I had dealt with some two months ago while he was out casting about for a seat in the House and the specific details were not readily at my fingertips yesterday when the question was raised.

3:10 p.m.

First of all, the honourable member raised the question as to how long I had been aware that the levels of toxaphene were twice the acceptable amount in certain fish in Lake Superior. That information, if in fact that is the information he has, is incorrect. I can only assume that what he means by an acceptable amount is in reference to the only standard that exists, and that is the standard for commercial fish which is five parts per million. In the samples that have been tested both by the United States Fish and Wildlife Service and by the Canadian authorities in Environment Canada, the average runs at about 1.9 part per million in the fish samples tested.

He may be looking at a specific isolated example of one that may be as high as seven parts per million. If that is the case, I would suggest that he should discuss the implications of that with scientists who are knowledgeable in this field. I think they would readily and quickly explain to him that an isolated single example, given the type of testing that is done, is not in itself reliable. There has to be a broader sampling done.

If he has data other than that which has been produced by either Environment Canada or the United States Fish and Wildlife Service, I would hope he would be willing to share it with members of the House and especially with the scientists in my ministry.

He also had implied yesterday that the material in question, toxaphene, was as dangerous to the fish in Lake Superior as dioxin is to the fish in Lake Ontario. He attributed that opinion to many unnamed scientists. Once again, if he could quote for me any one scientist of the many he referred to, I would be pleased to have that information, because the scientists both within my ministry and those with whom they have been consulting on this matter, both in the Department of National Health and Welfare and those in the United States, would not concur in that opinion. In fact, the opinion is that the levels of toxaphene that are being found are not harmful to human health.

As I understand it, a report will be released today by the International Joint Commission, to which the staff of my ministry have made a very significant contribution, which expresses some concern at the lack of complete information at this stage and encourages both the scientists on this side of the lake and those on the other side to continue sharing the information as it accumulates. They also point out that the efforts that have been made on the Canadian side, particularly in Ontario, have been very satisfactory.

The member had raised the question as to what steps had been taken to identify and control the source of the material. First of all, since 1974 toxaphene has been very strictly controlled in Ontario. In fact, essentially the only use to which it is put is to treat fleas in hogs. That is only under special licence to veterinarians, and this year there have been three such licences issued. In 1981, there was one such licence issued.

On the American side, the use has been much more extensive. Just recently, the American government severely restricted the use of toxaphene and reduced the amount from some 12

million pounds a year to 900,000 pounds a year; it has limited its use. It is no longer used for cotton and tobacco applications but is restricted to certain uses and the treatment of parasites in animals.

If the member would like some further information or has further questions, perhaps I could leave it open to him to raise that. If at any time he wishes a briefing from staff in my ministry, I will arrange that as well.

Mr. Ruston: Mr. Speaker, on a point of order: The minister took six minutes to reply to a question from the day previous, and he should have had—

Mr. Speaker: Order. With all respect, your watch must be different from mine, because he did not take even half that time.

Mr. Roy: On a point of order, Mr. Speaker: You need a new watch.

Mr. Speaker: A point of order? I must draw to the attention of the House that the member for Ottawa East was not in the House when the question was asked.

Mr. Rae: Mr. Speaker, the minister made reference to the presentation from Mr. Ferguson, who is regional director of Environment Canada, to the IJC this morning. I wonder whether the minister is aware of the fact, since he called into question the figures I quoted yesterday—and I will be glad to go over the figures with him any time he wants—that on fish caught between 1977 and 1980 but analysed in 1982 the findings ranged from 0.4 to 10.9 parts per million. Those data are from the federal Department of Fisheries and Oceans, from the US Fish and Wildlife Service laboratories in Columbia, Missouri, and from Ann Arbor, Michigan.

I just want to point this out to the minister and ask whether he can confirm this information. If he can confirm it, why is he so quick simply to pooh-pooh the very real questions we raised yesterday in this House?

Hon. Mr. Norton: Far be it from me to pooh-pooh, especially in response to the honourable member—

Interjections.

Hon. Mr. Norton: I only suggest to the honourable member that he take the time to sit down with someone who is knowledgeable about the implications of ranges such as the one he described so he can understand the implications of this. I cannot verify the 10-parts-per-million figure that he cites. I do know that there

were some as high as seven; there may well have been a few as high as 10. I reviewed the American data this morning. I do not recall seeing one at 10, but there might well have been one.

The point surely is that if the member understands the kind of testing that is done and the range of error in the testing because of the nature of the equipment used, and if he sits down with someone who knows what the implications of that are, that person will explain to him that he cannot cite the range specifically and use the upper limit as a signal of alarm; what you do is to look at testing over a period of time and look at averaging. If the member does that, I think he will find that the figures I have suggested to him are correct and that there is really no basis on which he can raise the alarm he is apparently trying to.

I just point out that the testing that has been done—

Mr. Speaker: Thank you very much. I suggest that the honourable member and the minister sit down privately and resolve their differences.

HYDRO EXPANSION

Mr. J. A. Reed: Now for a refreshing change of pace, Mr. Speaker. My question is to the Minister of Energy. The minister is aware of the fact that yesterday the Ontario Hydro board announced the delay of the completion of units 3 and 4 of Darlington. They also revised downward, the growth in energy demand to 2.1 per cent and the growth in peak demand to 2.3 per cent.

Is the minister aware that with such decreases in demand and even with the delay of the two units at Darlington, when unit 1 comes on stream at Darlington the Hydro system will have a 58.4 per cent surplus; when unit 2 comes on, we will have a 60.2 per cent surplus; when unit 3 comes on, we will have a 57.3 per cent surplus—

Mr. Speaker: Does the honourable member have a question?

Mr. J. A. Reed: I am asking the question right now, Mr. Speaker. I would like to be able to complete it if I could.

In addition, when unit 4 comes on, we will have a 57.9 per cent surplus.

Given these facts, can the minister substantiate such gross overcapacity and can he inform us why construction of the Darlington plant was stepped up in the Board of Industrial Leader-

ship and Development BILD program, albeit during the 1981 election campaign?

3:20 p.m.

Hon. Mr. Welch: Mr. Speaker, the honourable member correctly points out that this announcement was made yesterday by the Hydro board, and although I know he was not in the House yesterday to ask the question, neither did the Energy critic of the party ask the question yesterday, which of course was the day the announcement was made. Here we are talking about something 24 hours after the announcement; so it really must be of earth-shaking importance to that group for them to wait a whole day to ask the question.

However, having noted that, I also do not know what the Natural Resources critic of the official opposition has against jobs. This is a very important megaproject in this province, providing hundreds of jobs and indeed providing a great economic stimulation. All we have done with respect to this matter is add a couple of years to relieve some of the pressure with respect to provincial borrowing.

Without getting into all the details of the capacity and the percentage figures, I think in rationalization, those figures would be lower and the member would be fair enough to admit that load forecasting is not a very exact science. He would also know, if he had read those press releases carefully yesterday, that some very important decisions will face the Hydro board in the years to come with respect to some of that capacity which is mothballed because of their use of oil and natural gas. No one would really argue that they should be using those fuels.

There also will be some fairly difficult decisions to be taken with respect to the continuation of some thermal stations because of environmental concerns. So there will be a rationalization; Ontario will build on its capacity with respect to electricity and there will be a fairly obvious campaign with respect to inviting the people of this province to consider that particular option as we go.

I see our electrical generating capacity as one of our strengths upon which we can build, with some confidence, the economic future of this province.

Mr. J. A. Reed: I would first like to say to the minister that sometimes there are events that do take precedence over being here. Occasionally there is a personal event that does take precedence.

The minister did not answer the question as to

how in the BILD program he could announce the speedup of the completion of Darlington for six months and now announce the delay for two years. He must be aware that reduced load forecasts have been part of the energy scene of Ontario since 1976 and that the select committee on Ontario Hydro affairs listed that information on a continuing basis for this government.

Does the minister not realize that with this new load forecast, Darlington could be delayed for a full decade and that if he goes ahead with the completion based on these load forecasts we will be paying interest and depreciation on a piece of surplus hardware for that full 10 years?

Hon. Mr. Welch: I said it at the outset and I repeat what I already included in my answer to the original question. The member knows, because he is very knowledgeable about these matters, that the Hydro board will have to analyse the decisions that are going to be taken with respect to some of the thermal generation plant which is now reaching 35 to 40 years of age and attempt to rationalize this. I think we are going to be in that position. Indeed, as the economic situation rectifies itself, even the load forecast might have to be changed.

In making reference to the importance that I know the member attaches to all these matters, we had the officials of Hydro before the standing committee on resources development in the estimates for two and a half hours. I do not recall these questions being raised at that time.

Mr. Foulds: Mr. Speaker, I have a specific supplementary for the minister arising out of his answer. Has Hydro made a firm decision about closing any hydraulic or coal-fired stations, what stations has it slated for closing, and how many jobs will be lost because of those closings when the giants at Pickering B, Bruce B and Darlington come on stream?

Hon. Mr. Welch: Mr. Speaker, I think the answer to the first question is that no firm decisions have been taken with respect to either hydraulic or thermal plants. I only included that, as one would have to, in giving some consideration to the rationalization of the whole matter. But I repeat, no firm decisions have been made with respect to plants of that nature.

Mr. Mancini: On a point of privilege, Mr. Speaker: The member for Sudbury East (Mr. Martel) keeps referring to this whole discussion that was presented to the Legislature here today by the member for Halton-Burlington (Mr. J. A. Reed) as "Mafia economics." I am not sure

exactly what the honourable member means by that—

Mr. Speaker: With great respect, that is not a point of order. There is nothing out of order.

Mr. Mancini: No. It is a point of privilege.

Mr. Speaker: Order.

WORKMEN'S COMPENSATION

Mr. Di Santo: Mr. Speaker, I have a question for the Minister of Labour. Can the minister indicate to the House when the government will show a small measure of compassion and bring in legislation that will increase the benefits of injured workers? Rates have not been increased since July 1981 and the workers have been trying to get an increase from the government by writing the Premier (Mr. Davis), without receiving any answer, and by contacting the minister, without any result.

Hon. Mr. Ramsey: Mr. Speaker, with respect to one point the honourable member made, he indicated that the injured workers had written to the Premier and had no response. They sent me a copy of that letter and I responded directly. I also received a copy, a week or 10 days ago, of the letter the Premier sent back to them. I will be happy to share those with the member if he wishes to see them.

However, to directly answer the question, I hope to be in a position to make some sort of statement with respect to that within the next short period of time.

Mr. Di Santo: When the minister makes that statement, will he introduce legislation to increase the benefits or will he make a statement to postpone the increase in benefits indefinitely, until the work of the standing committee on resources development is finished or until we get the Weiler report, adopting the same tactics that he has adopted in the past?

I remind the minister that on September 23, 1982, he made a commitment to this House that if we did not have the final report of the committee before Christmas, he would introduce legislation. Will he introduce legislation or not?

Hon. Mr. Ramsay: Let me just go back a moment if I may. We had originally hoped to have the question of the Weiler report sent to committee early in the summer. For reasons of scheduling that was impossible and it wound up going to committee in September. It was scheduled to be there for five weeks and we were optimistic about receiving a report that we could act upon.

The Legislature came back early and the committee was cancelled. I appealed to the government House leader (Mr. Wells) to have the committee continue. He conferred with the House leaders of the other two parties and the general consensus was that the estimates and the bills currently being studied in committee had to take priority. I was disappointed with that decision. It was a decision, I understand, of the three House leaders that the committee would not reconvene until January.

The member is completely correct when he says I indicated that if we were not able to get a decision or a recommendation from the standing committee on resources development, which was studying the Weiler report, I would undertake some sort of interim increase. That commitment was made and I assure the members it will be honoured.

3:30 p.m.

Mr. Wrye: Mr. Speaker, I appreciate the minister's last statement. I would like to clarify the matter one more time, as the minister is aware of the demonstration today and the concern injured workers have that it has been some time since the last increases.

I am aware the minister made a comment on September 23 that interim revisions would be required. Is he now saying in this House that those revisions will be brought before this Legislature and acted upon before the end of this session, before Christmas? Will he give us that commitment now?

Hon. Mr. Ramsay: Mr. Speaker, before I make that commitment, I am committed to discussing this matter with my cabinet colleagues and that is scheduled to be done in the near future.

Mr. Mancini: Mr. Speaker, on a point of privilege: When I was up earlier, you may have misinterpreted my intent. I was not up on a point of order, I was up on a point of privilege.

Several times during the legislative sitting today the member for Sudbury East has continued to inject the words "mafia economics" during the cut and thrust of the debate. Since I have taken my seat in the last few minutes, I have been informed the member has been making those statements with regard to comments which were made by the member for Sudbury (Mr. Gordon) and which appeared in print.

It is my view that the repeating of such comments does not necessarily make it correct. I am just as offended by the interjections of the

member for Sudbury East as I would be by reading the printed statement of the member for Sudbury.

That word has a terrible connotation for a particular ethnic group. The repeating of that phrase "mafia economics" continues to place a slur on that ethnic group. Just because one member may have made a mistake by referring to the economic system that way, in my view it is not correct that another member should continue to repeat it and repeat it. I am offended by the original comment and by the repetition.

Mr. Speaker: I must advise the member for Essex South that is not really a point of privilege. His privileges have not been abridged in any way, shape or form.

I think the remarks were not made in a discriminatory context, if I may say that, or to point a finger at any particular group in society. My understanding, limited as it may be, is that the organization encompasses a very large group.

Mr. Mancini: You did not see the CBC show.

Mr. Speaker: No, I did not. Having said that, I must rule it is not a point of privilege, although it is an interesting point of view.

Mr. Martel: Mr. Speaker.

Mr. Speaker: The member for Sudbury East?

Mr. Martel: On a point of privilege.

Mr. Speaker: Another one?

Mr. Martel: Yes, Mr. Speaker. I want to indicate for my friend's edification, because he was not here, that the matter was raised some weeks ago in reference to comments made by the member for Sudbury, in question period, in trying to elicit—let me finish.

Mr. Speaker: Order. You told me you were going to establish a new point of privilege and I have already ruled that was not a point of privilege. Therefore, I must rule you are out of order. With great respect, I must ask you to take your chair.

Mr. Martel: No.

Mr. Speaker: You will just not take no for an answer.

Mr. Martel: Reference has been made to me by the member for Essex South in terms of—

Mr. Speaker: Just a minute; hold it. Order. I am not letting anybody get away with anything. If the honourable member has a legitimate point of privilege I will be pleased to hear it, but he keeps referring to a former one which I have ruled out of order.

Mr. Martel: Mr. Speaker, might I ask for your assistance? Some weeks ago he made reference to a comment another—

Mr. Elston: The member for Sudbury East has to have a new point.

Mr. Martel: No, let me finish. How can the Speaker answer my question if he is not going to hear it?

Several weeks ago the matter was raised in this Legislature about Ontario Hydro's behaviour and the manner in which someone attributed the matter of Hydro's economics, and the member for Sudbury termed it mafia economics—

Mr. Speaker: Order, please. I was here. I understand the context in which the question was asked and the statement made. I think I have made it quite clear that it was not to be taken out of context. It was not a discriminatory remark in any way, shape or form and it was not pointed in the direction of any one particular group.

RIDEAU CENTRE

Mr. Roy: I have a point of privilege, Mr. Speaker. In June 1982, in the spring session, I sponsored a piece of legislation called the city of Ottawa act which, in brief, was to assist in the development of a project in Ottawa to be called Rideau Centre. On that basis, all members co-operated and allowed the legislation to go through.

Subsequently, a second piece of legislation was presented to this assembly called Bill 105, An Act respecting the Mortgage Financing of Rideau Centre in the City of Ottawa. This legislation was sponsored by the member for Carleton-Grenville (Mr. Sterling) and was intended to assist with the mortgage financing of this project. All members, including those on this side of the House, were told that this was a project involving public funds and required the co-operation of all the members.

This legislation, which contains a section defining the Rideau Centre as an entity, was passed. However, we have been told just recently that the centre will now be called the Eaton centre.

My point of privilege involves all of the members in the sense that we were in some way misled. We believed we were supporting a project called the Rideau Centre. I want to say to my colleague the Minister of Municipal Affairs and Housing (Mr. Bennett), I am very disappointed that he has not risen to give us an explanation of this and to advise whether he

thought, at the time we passed this legislation, that the name was to continue to be Rideau Centre and not Eaton centre. We deserve an explanation.

Mr. Speaker: I must point out to the honourable member that is not a point of privilege either.

Mr. Cassidy: Yes, it is, Mr. Speaker.

Mr. Roy: We were misled.

Mr. Speaker: I think there is a proper time in the order of the House to deal with these matters and this is not really the time; although the Minister of Municipal Affairs and Housing seems anxious to say something.

Hon. Mr. Bennett: Yes, Mr. Speaker. Since my name and ministry have been taken in question by the member for Ottawa East, let me suggest—

Mr. Martel: If it is not a point of privilege, why is the minister up?

Mr. Speaker: I will determine that, not you. With great respect, just resume your seat, please.

I pointed out, with great respect, that the member for Ottawa East did not raise a legitimate point of order. Now having said that, he also interjected that maybe the minister would like to rise and clarify the record. If the minister wants to—

Mr. Martel: Now, wait a minute. Just a minute, Mr. Speaker.

Mr. Speaker: Order. The member for Sudbury East will please resume his seat. If the minister, of his own volition, wants to rise and correct the record, that is his privilege.

Mr. Martel: Mr. Speaker, I also rose of my own volition to clarify the record and you told me I could not. You cannot have it both ways.

Mr. Speaker: You did not, with all respect.

3:40 p.m.

Mr. Martel: He has not got the right to get up and respond then. What kind of nonsense is this?

Interjection.

Mr. Speaker: The member for Sudbury East will please resume his seat. The member for Hamilton Centre (Ms. Copps) will please co-operate.

I would like to point out very clearly to the member for Sudbury East, who apparently feels that he has been discriminated against and that I have offended his sensibilities in some way, that I have not done that. He rose on a point of

privilege or a point of order. He had neither. He did not say he wanted to correct the record.

Interjection.

Mr. Speaker: With great respect, you did not. If the minister has something to say, I am willing to listen to him at this point.

Hon. Mr. Bennett: Mr. Speaker, I was commencing to say that in relationship to the Rideau Viking centre—the name by which we have known the project, and I suppose we will continue to know it as existing under that name—it is my understanding that the Eaton group has requested a change in the name of the centre. They are the land owners. Through lease or ownership they are the people who will control the Rideau Centre.

In my discussion this morning with Fred Eaton of the Eaton company, I indicated to him that I agreed with the sympathies being expressed in the city of Ottawa, that the name Rideau Viking centre was a more appropriate name and that I thought the name should be retained. Obviously the talk shows, the editorials, TV, the press and the gab or discussion in the streets is to the effect that the name Rideau Viking centre is more symbolic of the project than Eaton Rideau centre.

Mr. Roy: Rideau Centre.

Mr. Boudria: Rideau Centre, period.

Mr. Roy: That is right.

Hon. Mr. Bennett: I suggested to Mr. Eaton that they might want to rethink the situation if they are truly, let me suggest to the member for Ottawa East, making an application to change that name. I am not sure whether the Eaton people will reconsider the position. I am told through legal counsel that since they are the property owners they will have the right to choose the name—

Mr. Roy: That is not what the bill says.

Hon. Mr. Bennett: Just a moment, Mr. Speaker—the name of the company is one thing, and the centre project could be another.

Mr. Speaker: I must call the minister to order.

FRENCH-LANGUAGE SCHOOLS

Mr. Boudria: Mr. Speaker, I have a point of privilege on a totally different matter.

On November 5, 1982 the Premier (Mr. Davis) told us that he would have an answer on the following Monday on the situation of the French-language schools in Iroquois Falls and Mattawa, in reply to a question I asked in this House. As of

this day no reply has come from him or the Minister of Education (Miss Stephenson).

The francophones of this province have waited for years for a reply from this government and they are not getting anything. This situation is intolerable and the Premier should come into this House and tell us the answers to those questions.

Hon. Mr. Pope: You go up there. I know you are going up there. Go ahead. Why don't you go to Hawkesbury and talk there? Go to your own riding. Go and solve Hawkesbury.

Mr. Speaker: Order. I must point out the member for Prescott-Russell that was not a legitimate point of privilege, but rather could be considered a point of order.

USE OF TIME IN QUESTION PERIOD

Mr. Speaker: I think I must point out the obvious to all honourable members. I can understand the ritual that has taken place. Everybody has staked out his territory and established himself quite well, but I must point out that question period is for the benefit of all honourable members. Today we had three quarters of the time taken up by the three leaders and their questions and answers.

I would request the co-operation of all honourable members and if I do not get that co-operation, then I must direct your attention to standing order 27(e). I serve notice that I expect this co-operation. If we do not have co-operation I will start calling the honourable members to order.

Mr. Conway: Mr. Speaker, I want to comment very briefly, if I could, on the point you have just concluded making. I do not envy you the very difficult and onerous task you have in trying to bring some balance here. I want to reiterate my personal concern, and I am going to be very direct: I have an impression—perhaps entirely personal and perhaps too partisan, but it is none the less a very deep impression—that the leader of the government is allowed endless latitude, almost limitless time in which to give answers, and I can cite one specific example here today that in about 70 per cent of its volume bore absolutely no relation to the question asked.

Yes, it is true that we on this side of the Speaker's dais are not without sin in this respect, and I accept my share of that responsibility. But if this place is going to be improved—and God knows it needs to be improved, because it is a

pretty unhappy looking and sounding place—I just hope there will be a greater sense of balance in this matter; and I hope that, since he will inevitably set much of the tone in this place, the leader of the government can begin to set a better example than I frankly believe he has been setting in recent days.

Mr. Speaker: Thank you very much. I am pleased that the member for Renfrew North made the comment. However, from a totally nonpartisan viewpoint, if I may—and I was not looking to either side of the House—there is, I guess, blame on all sides. But I must point out to you that when this specific individual is asked a question, there seems to be a compulsion for a lot of other members to ask questions of him at the same time, and he apparently feels an obligation to respond to all those individual questions.

I would suggest that if we are going to have a modicum of dignity and order in this House, when a question is placed by anyone, we respect the right of the individual member who has asked that question to get a reasonable answer. That is all I ask. Thank you.

Mr. R. F. Johnston: Mr. Speaker, on a point of order: I cannot find in the standing orders anything that covers matters of agreement made between members in the Legislature with witnesses. An agreement was made by myself and the member for Yorkview (Mr. Spensieri) about a certain event that passed recently in which one party won and another party lost. I have been waiting for him to come forward and he is claiming the privilege that an agreement made in this House is not valid. Is that not the worst—

Mr. Speaker: Order. I do not think that is really even a point of view, with all respect.

[Later]

Mr. R. F. Johnston: What about Spensieri's \$100?

Mr. Speaker: I do not know anything about that.

[Later]

Mr. R. F. Johnston: Mr. Speaker, on a point of privilege: Earlier, when asking your advice on a point of order, I may have maligned one of the members of this House. I would like to make it clear to everyone that the member for Yorkview (Mr. Spensieri) is an honourable member of this House.

Mr. Speaker: I think there was never any doubt about that.

MOTIONS

COMMITTEE SITTINGS

Hon. Mr. Wells moved that Bill Pr29, An Act respecting the City of Hamilton, and Bill Pr43, An Act respecting the City of Burlington, now referred to the standing committee on general government, and Bill Pr40, An Act to revive Ceephil Investments Ltd., now referred to the standing committee on administration of justice, be transferred to the standing committee on regulations and other statutory instruments.

Motion agreed to.

COMMITTEE SUBSTITUTIONS

Hon. Mr. Wells moved that the following substitutions be made: on the standing committee on administration of justice, Mr. Cooke and Mr. Mackenzie for Mr. Breagh and Mr. Swart; on the standing committee on general government, Mr. Samis and Mr. Charlton for Mr. Grande and Mr. Wildman; on the standing committee on resources development, Mr. Stokes for Mr. Di Santo; and on the standing committee on social development, Mr. Allen for Mr. Cooke.

Motion agreed to.

MOTION TO SET ASIDE ORDINARY BUSINESS

Mr. Rae moved, seconded by Mr. Martel, pursuant to standing order 34(a), that the ordinary business of the House be set aside in order to debate a matter of urgent public importance, namely the urgent need to fully and immediately debate the Minister of Consumer and Commercial Relations' statement on the unprecedented sale of almost 11,000 apartments by Cadillac Fairview, which is likely to be followed by sales by other large development firms; the consequent flipping of these properties within days resulting in huge speculative gains which add nothing to the value of the rental units but which clearly threaten thousands of tenants with economic eviction as a result of the financing cost pass-through allowed under Ontario's rent review program; the complete inadequacy of a rent review program that permits rental property to be priced beyond reach in order to secure speculative gains for owners and purchasers; the prospect of further massive disruption in the rental housing market as other firms take advantage of Ontario's lax corporate disclosure laws to trade buildings, and the need to be assured that the proposals of the minister's

statement will fully protect Ontario's tenants from unfair rent increases and consequent loss of their homes.

3:50 p.m.

Mr. Speaker: I must point out to all honourable members that this motion was received in my office in time and I have had an opportunity to peruse it very carefully and thoroughly.

I must point out to the member for York South (Mr. Rae) that I find his motion out of order inasmuch as it is substantially the same—indeed, almost exactly the same—as a previous motion which he moved yesterday.

Mr. McClellan: Mr. Speaker, before you conclude your ruling, may I speak to a point of order with respect to your ruling?

Mr. Speaker: No.

Mr. McClellan: I understand the ruling will be the same as the one you made on October 28, and I wanted to have an opportunity to speak to standing order 34(a) before you had made a final decision on it.

Mr. Speaker: I think if you hear me out and if you then have a point of order or privilege, I would be pleased to hear it.

As I say, I have had an opportunity to look it over very carefully and I would direct the member for York South's attention to standing order 34(c)(iv) and point out the obvious, which is that this matter has indeed been previously discussed and therefore I cannot allow it on the same basis that I could not allow a debate to proceed which was moved by the Leader of the Opposition (Mr. Peterson), having cited all the precedents at that time.

Mr. Rae: On a point of order Mr. Speaker: If I could just make this submission to you, sir, quite simply that in fact the motion is not the same. Whereas the motion that was put forward by the Liberal Party was in fact identical, this motion is not identical. It has two additional clauses in it which are substantially different from the motion put yesterday.

With respect, sir, the first clause and the last clause both refer to events that transpired today and both refer to the statement that was made by the minister today. One of the things we are attempting to call into question and attempting to debate today is the very statement which the minister made.

If I may refer you as well to arguments that were made yesterday in the House by the government House leader, the main argument he made yesterday in arguing that this was not

an urgent matter was that it was a matter that would be considered the next day and that the minister would be prepared to make a statement at that time.

In the light of those two facts, it is not the same motion. It is a different motion. It is a motion which has additional material in it and it is a debate which will have additional substance to it because it will include the statement that was made today by the minister. I would respectfully submit to you, sir, that the motion is in order.

Mr. McClellan: May I speak to the point of order?

Mr. Speaker: Just let me reply to that first, if I may. I will recognize you. I have already said that.

Mr. McClellan: It is closely related and it would be helpful to you, sir, if you would hear me.

Mr. Speaker: I just want to clarify a point with the member for York South. When I was referring to the previous motion, I was referring to his motion of yesterday, not the previous motion of the Leader of the Opposition.

Mr. Rae: I understood that.

Mr. Speaker: To be quite honest with you, the motion of yesterday gave me some reason for doubt. I think I said that in reaching my decision. However, having said that and having pursued this matter very carefully, in fact, the motion is substantially the same. It is word for word except for the last paragraph.

Mr. Rae: No, the first paragraph and last.

Mr. Speaker: And the first paragraph, right; I do not see that it is substantially different enough to abrogate or to nullify the provisions of standing order 34(c)(iv).

Mr. McClellan: Mr. Speaker, the difficulty is you have deviated from the requirements of standing order 34(a) in making your ruling out of sequence. Standing order 34(a), which deals with procedural motions, is very clear and specific. It says "any member may move to set aside the ordinary business of the House to discuss a matter of urgent public importance," and "such member may explain his arguments in favour of his motion in not more than five minutes." Having made that explanation—

Mr. Breithaupt: Only if the motion is acceptable.

Mr. McClellan: No, that is precisely the point. After the member makes his arguments in favour of the motion, then the Speaker rules as

to whether the motion is in order and whether it is of urgent public importance.

Mr. Speaker, I am not going to be brief but I do not want to be interrupted either, with respect. I am trying to point out on a point of order that you are not permitted, under the standing order, to rule whether the motion is in order or out of order until the argument has been made. How can you possibly prejudge the question of whether the motion is in order or out of order until the member who is raising the question puts the arguments in front of you?

I insist the standing order is absolutely clear as to the sequence of events. First, the member makes the argument, then the other two parties respond to the argument, then the Speaker rules, one, is the question in order, and two, is it of urgent public importance. A serious mistake was made on October 28 which I hope is not going to be repeated this afternoon.

Mr. Conway: Mr. Speaker, in a way I am very pleased the member for Bellwoods has raised this because in my time here it has been my memory in almost all circumstances, in fact, in all my personal remembrances, that the procedure is as interpreted by the member for Bellwoods; that is, as long as the motion is submitted on time it is then entertained with a round robin, as it were, of five minutes, after which the Speaker makes his judgement on the grounds the member has indicated. I would indicate that my understanding of the practice and my reading of the rule very much squares with that of the member for Bellwoods.

Mr. Renwick: Mr. Speaker, I would like to speak to this point of order raised by my colleague the member for Bellwoods because the implication of your ruling is going to live with us for a long time. I want to draw your attention to the whole of rule 34 which is part VII of the standing orders and deals with this particularly, in rule 34, and I need not discuss rules 35 and 36, under the heading "Procedural Motions."

I understand you to have ruled against my leader's motion specifically under rule 34(c)(iv) that, "the motion must not revive discussion on a matter that has been discussed in the same session under this standing order." I understand that to be your ruling.

I would submit that under the rule, the matters of substance in the motion by the leader of this party have not been discussed in the same session under this standing order. I draw your attention to the specific, semantic discussion required before the debate can proceed.

In rule 34(a) the first item is, "Before the Orders of the Day, any member may move to set aside the ordinary business of the House to discuss a matter of urgent public importance of which he has given written notice to the Speaker at least two hours before the sitting of the House."

The second step is, "Such member may explain his arguments in favour of his motion in not more than five minutes." The third step is, "One member from each of the other parties in the House may state the position of his party with respect to the motion in not more than five minutes." The fourth step is, "The Speaker shall then rule on whether or not the motion is in order and of urgent public importance."

4 p.m.

I pause, Mr. Speaker, to say that this is the purpose of the first three steps: to enable you to determine whether or not the motion is in order and of urgent public importance. It has no other purpose.

The fifth step is that if you then rule in favour of the motion, you "will then put the question, 'Shall the debate proceed?' to a vote of the House."

Then I specifically draw your attention to item (b) of the rule, "If the House determines by its vote to set aside the normal business of the House to discuss a matter of urgent public importance, each member who wishes to speak in the discussion shall be limited to 10 minutes. . ."

The discussion, I submit, takes place only after there has been a vote in the House on your question, "Shall the debate proceed?" There has been no discussion of the matter set out in the motion of the leader of this party, which you ruled yesterday as being in order and which you ruled today as being not in order, excepting for the moment that the motions are substantively the same.

The rule then goes on to say: "(c) A motion under this standing order is subject to the following conditions: . . . (iv) the motion must not revive discussion on a matter that has been discussed in the same session under this standing order." I submit that there has been no discussion under this rule on the matter that is the substance of the resolution, and I would submit that your ruling, with great respect, is not in accordance with the rule.

Again with the greatest of respect, you will recall that a few days ago on another occasion I felt compelled to draw to your attention the specific obligation that you have under step four, to which I have referred, namely, that you

must rule on whether or not the motion is in order and of urgent public importance. My submission concisely and simply is that this matter has not been discussed. Therefore, if the motion was in order and of urgent public importance yesterday, nothing has taken place since yesterday to relieve it of its obligation to be in order and of urgent public importance.

I therefore submit that you should reconsider your ruling and proceed in accordance with the order and in accordance with your decision of yesterday; and I know that a man of your breadth of view has no hesitation in the face of logical argument in changing his position, declaring that this motion today is in order and of urgent public importance, as it was yesterday, and allowing the matter to proceed.

I believe that your ruling on this question is going to live with us for a long time, and I would ask your urgent consideration of that submission.

Mr. Breithaupt: Mr. Speaker, I was most interested in listening to the references you have made with respect to the rules. I suggest that we are dealing with two separate areas here. When we look at the rules dealing with procedural motions, the pattern is quite clear as to the sequence the member for Riverdale has suggested. Indeed, as he has said, you ruled yesterday that a debate on this item was in order, and the House decided not to proceed.

However, if you give us the opportunity, Mr. Speaker, I suggest that when you have heard a variety of arguments as to why the debate should proceed in the five minute sequence then, because of the statement of the Minister of Consumer and Commercial Relations (Mr. Elgie) and the various things which may flow from the appointment of Mr. Thom to his commission and from the appointment of the auditor to inspect the matters under section 152 of the Loan and Trust Companies Act, the House may in its wisdom decide to go ahead with a debate. Clearly, under standing order 34(c)(iv), "the motion must not revive discussion on a matter that has been discussed in the same session. . . ." I suggest that the matter has not been discussed. Only the proposal for an emergency debate has, in fact, occurred.

If you then turn to rule 39 which has been cited, I suggest to you, sir, that rule deals with substantive motions. It is in that section and, with respect, has nothing to do with the matter of procedural motions. So I believe we must remove any reference to section 39 of the rules as we look at this particular point.

There is one point which causes me some

concern and that is, from the reading of the motion in caucus this morning, I believe it is somewhat different in wording from the motion as actually presented this afternoon. Because what was "an anticipated statement"—I believe was the phrase—is now something which has in fact occurred.

However, sir, as you had notice that a statement was going to be made from the comment made by the minister in his place yesterday, you may have decided to accept that necessary verbiage difference because something which was expected, in fact then had happened. If the motion is, therefore, verbally correct, it is surely up to the House to decide whether the ruling that you make will be substantiated and whether a debate will or will not occur, even though the circumstances may be the same or, on the other hand, may have substantially changed.

Therefore, I suggest to you, sir, that under rule 34(a) the sequence is quite clear and your ruling, with respect, should be based upon the results of that sequence, after which you may choose to make a reference to a rule as you see it under subsection 34(c). The House may well change its mind and proceed in support of a ruling once that is made. Indeed, if you decide that the matters of yesterday, on which you were prepared to allow a debate, have changed so that a debate is not allowed today, the House, of course, may accept that or oppose that ruling in due course.

In any event, I suggest that the refusal today, based upon what was not in fact thoroughly debated yesterday, is a precedent which would be a most unfortunate one. I believe the sequence under 34(a) is quite clear and that only at the time when you have the obligation to say the phrase, "Shall the debate proceed?" will we know whether the House, by support of all parties, may have decided that this matter is a particular emergency and should be debated at this time.

Mr. Speaker: I think I made it very clear that was the last submission I was going to entertain. And do not wink at me with your great Irish charm.

Mr. Breaugh: I thought, sir, you might be interested in the views of the committee which recommended the standing order.

Mr. Speaker: With great respect, I think that we are out of order in debating this in the first place. I have made a ruling. I am going to explain why I made that ruling.

The House actually made the decision not to

proceed on this matter; it made that decision yesterday. It is not within my power to cancel or in any way interfere with the decision of the House. Therefore, as I said earlier, I cannot accept the motion. It has to be out of order.

4:10 p.m.

Some hon. members: You are dead wrong.

Mr. Speaker: In my opinion, I am dead right. I would like to point out to the member for Kitchener (Mr. Breithaupt), regarding the difference he cites between a procedural motion and a substantive motion; this is a substantive motion and standing orders 38 and 39 do apply.

Mr. Breaugh: Mr. Speaker, in presenting this standing order to the House from the procedural affairs committee and during the debates we had, the intention at that time was clearly to do a simple thing. Rejecting standing order 43, which exists in the federal House, we decided that there ought to be a vehicle whereby members could propose a matter for what amounts to a 15-minute consideration by the House.

At the end of that time, the Speaker would check to see that all things were in order: that to avoid being repetitious we had not dealt with this before; that it had been submitted in time. Then we wanted the House to say whether or not it deemed this to be a matter it wanted to debate.

Clearly, we presented this standing order on that basis. We did not want standing order 43 floating around here every day and I think it has been the practice in this House that we have not abused this matter. This is not used every day; it is used when there is a matter of some importance and it is used by members from all sides.

We changed the standing orders to provide members with an opportunity to have that kind of mini-debate for 15 minutes. Then the Speaker would give us his version of whether it conformed with the rules of the House or had been dealt with previously, and then the Legislature itself would decide if an emergency debate would ensue.

I would plead with you, Mr. Speaker, to adhere to the principle and the practices which I do not think we have abused so far. We have consistently attempted to present the House with matters thought to be of public importance. We had these mini-debates of 15 minutes, which is not a long time, and then the House had a chance to decide whether we would debate the matter or not.

I think that has been our consistent practice and it certainly was the intent. I beg of you, Mr.

Speaker, to allow this standing order to proceed in the way we have always done. I do not think it has been a great imposition on the House and frankly, anybody would be hard pressed to say we have abused that standing order.

Mr. Speaker: I have made it quite clear that the submissions being made are actually debates on a decision I have already made. The dilemma, quite clearly, is that I have to abide by the standing orders. The decision has been made by this House. I do not have the authority to alter that in any way, shape or form.

Mr. Stokes: The House has not decided on this issue.

Mr. Speaker: With great respect, it has. I think we are entering into a debate that is clearly out of order.

Mr. Cassidy: It is a very serious issue.

Mr. Speaker: Of course it is. I do not doubt that at all.

I have made my ruling. I am bound by the standing orders and that is my interpretation of the standing orders. I do not have any leeway to alter my decision.

Mr. Martel: Mr. Speaker, unfortunately you leave us no alternative but to challenge your ruling.

Mr. Speaker: Thank you.

The member for Sudbury East has moved a challenge to the Speaker's ruling.

4:52 p.m.

The House divided on the Speaker's ruling which was sustained on the following vote:

Ayes

Andrewes, Ashe, Baetz, Barlow, Bennett, Birch, Brandt, Cousens, Cureatz, Davis, Dean, Drea, Eaton, Elgie, Eves, Fish, Gillies, Gordon, Gregory, Grossman, Harris, Havrot, Henderson, Hennessy, Johnson, J. M., Jones, Kells, Kennedy, Kerr, Kolyn, Lane, Leluk, MacQuarrie, McCaffrey, McCague, McLean, McMurtry, McNeil, Miller, F.S.;

Mitchell, Norton, Piché, Pollock, Pope, Ramsay, Robinson, Rotenberg, Runciman, Scrivener, Sheppard, Snow, Stephenson, B. M., Sterling, Stevenson, K. R., Taylor, G. W., Taylor, J. A., Timbrell, Treleaven, Villeneuve, Walker, Watson, Welch, Wells, Williams, Wiseman, Yakabuski.

Nays

Allen, Boudria, Bradley, Breaugh, Breithaupt, Cassidy, Charlton, Conway, Cooke, Cunningham, Di Santo, Eakins, Edighoffer, Elston, Epp,

Foulds, Grande, Haggerty, Johnston, R. F., Laughren, Lupusella;

Mackenzie, Mancini, Martel, McClellan, McGuigan, Miller, G. I., Newman, O'Neil, Peterson, Philip, Rae, Reed, J. A., Reid, T. P., Renwick, Roy, Ruprecht, Ruston, Samis, Spensieri, Stokes, Swart, Van Horne, Wildman, Worton, Wrye.

Ayes 66; nays 46.

ORDERS OF THE DAY

THIRD READINGS

The following bills were given third reading on motion:

Bill 131, An Act to amend the Registry Act;

Bill 132, An Act to amend the Land Titles Act;

Bill 145, An Act to amend the Brantford-Brant Annexation Act;

Bill 149, An Act to amend certain Acts respecting Regional Municipalities;

Bill 150, An Act to amend the Municipal Act.

CITY OF LONDON ACT

Mr. Van Horne moved second reading of Bill Pr21, An Act respecting the City of London.

Motion agreed to.

Third reading also agreed to on motion.

5 p.m.

CITY OF ST. CATHARINES ACT

Mr. Bradley moved second reading of Bill Pr30, An Act respecting the City of St. Catharines.

Motion agreed to.

Third reading also agreed to on motion.

CITY OF THUNDER BAY ACT

Mr. Hennessy moved second reading of Bill Pr31, An Act respecting the City of Thunder Bay.

Motion agreed to.

Third reading also agreed to on motion.

House in committee of the whole.

MUNICIPALITY OF METROPOLITAN TORONTO AMENDMENT ACT

(continued)

Resuming consideration of Bill 127, An Act to amend the Municipality of Metropolitan Toronto Act.

On section 1:

Mr. Chairman: If I recall, we were progressing on Bill 127.

Mr. Boudria: We were moving right along.

Mr. Chairman: Yes, we were doing section 1 at great speed. I believe an amendment put forward by the member for Oakwood (Mr. Grande) was defeated, but we have not passed section 1.

Mr. Grande: Mr. Chairman, my understanding is that you considered the first amendment I put in on section 1 to be out of order.

Mr. Chairman: That's right. Then we went ahead with your second amendment, which was the deletion of definitions 5 and 6 of clause 1(1)(b). We had a vote on that around 10:50 that particular night and your proposed amendment lost.

Mr. Grande: Correct. Therefore that amendment, as far as I am concerned, has been dealt with, so I guess we will move on to section 2 if there is nothing else—

Mr. Chairman: Then shall section 1 carry? Carried.

Mr. Grande: No.

Mr. Chairman: No? I just said, "Shall section 1 carry?" and it was carried.

Mr. Grande: Well, I said no.

Mr. Chairman: Oh, I am sorry. Shall section 1 carry?

Some hon. members: No.

Mr. Chairman: All those in favour will please say "aye."

All those opposed will please say "nay."

In my opinion the ayes have it.

Section 1 agreed to.

On section 2:

Mr. Bradley: First of all, Mr. Chairman, I am surprised that we were able to get through section 1 so rapidly, and there was a full and frank discussion of all aspects of section 1.

Section 2 is particularly important because, as members know, this section allows the people in Metropolitan Toronto to have the same three-year term of office that is available to others in the province. Subsection 118(4) of the act now provides for a two-year term of office, and the effect of this amendment, as is pointed out in the explanatory notes, is to make the term of office be governed by the Municipal Elections Act.

It seems eminently reasonable to us that Metropolitan Toronto should not be treated differently from the rest of the province in this

regard. We feel it is very useful for us to have the three-year term because we are not then in a position of having elections in different years.

If we were to leave the situation as it existed before the bill, we would be in a position where the Metropolitan Toronto Board of Education would serve for two years and the other boards of education would serve for three years. That would be a situation that could not be tolerated.

We are very pleased to see the three-year term. Some of us expressed some regrets previously, and I realize there were different points of view held even within the caucuses of the various parties on this, and members of the government caucus, for instance, may have had different views. I personally have felt that a two-year term is very reasonable, but someone might be able to find a Hansard where, somewhere along the line, I might have said three years is appropriate.

I remember the member for Welland-Thorold (Mr. Swart) once did that to me. He was listening to a speech I was making and he read back the Hansard on the three-year, two-year term situation. Then I was able to find where he had something different to say on one occasion or another. This does happen.

I think we all agree on the three-year term at the present time. It is going to allow for maximum planning in terms of those who have been elected. We will have a situation, and it was indicated at least in other parts of the province, where the adoption of a three-year term resulted in bringing forward more candidates for office than the \$850,000 that was blown by the Minister of Municipal Affairs and Housing (Mr. Bennett) on advertising for people to come out and vote. What had more of an impact was the fact that people knew that the trustees they would be electing would be there for a full three years. Therefore, it seems very sensible that we have this same circumstance existing in Metropolitan Toronto.

They will better be able, particularly the newer members of that board of education, to recognize the problems that exist in Toronto and become more familiar with the workings of that board and will have the opportunity to receive input for three years instead of two years from the people they represent.

We will run into certain situations, probably more by-elections will result because of the three-year term, but that is to be expected. The longer the term, the more chances there are of people passing away, of being stricken with illness which may cause them to resign, or for

them to head to greener pastures. If a federal election were to come up, or a provincial election were sprung on Ontario, those people might want to run in that election.

Three years seems sensible to us, and in this particular section we will be supporting that change, when it comes about, for the three-year term in order that it may be the same in the Metropolitan Toronto Board of Education as it is for other boards in Ontario. No doubt many of my colleagues will want to express their viewpoint on whether this would be a useful change or not.

Mr. Grande: Mr. Chairman, this is one of those areas where there has never been, from the birth of Bill 127, any dissension from any of the parties in this Legislature. We did agree with the three-year term for municipal aldermen, so this is a logical extension of that.

However, one of the things that I cannot come to terms with—and I know that right at this particular time we are not debating the amendment that the government is introducing under that particular section—is the reason a bill such as Bill 127 could not be properly drafted as to even the housekeeping matters. Basically, it speaks to the whole content and substance of Bill 127, which has been said to have been poorly drafted, ill-conceived and should be withdrawn.

I find that a housekeeping provision requires amendment by the government in a new section, which has been added to an area that has not been a particular bone of contention in committee, nor was it referred to by anyone during the public hearings. However, the government is bringing in an amendment and I guess we will have more to say when that amendment is brought in. I will leave it at that.

5:10 p.m.

We would have no difficulty with the three-year term. I just want to ask a few questions of the minister. As I read this section, I wonder why it is needed in the bill to begin with. It talks about the boards of education being conducted by the same officers, etc. Basically, this does not give the minister or the government the power to establish the Metro board of education, when it is clearly the intention of the minister and the government to give the three-year period to the Metro members.

I have a question for the minister about Bill 46, which was dealt with in this House at the beginning of June. That bill gave her the necessary powers to effect that change. Basically,

section 19 of Bill 46, so called, extends the term from two years to three years for all the duly elected trustees in Ontario. It was never my understanding that the trustees of the boards of education within Metropolitan Toronto were excluded from that provision. I understood that Bill 46 dealt with the whole province.

Perhaps the minister could give us some indication why that particular section is required in the bill. I consider it to be superfluous. The powers are already there under Bill 46, which was passed into law some time ago. I will leave it there. With a proper explanation from the minister, we would have no problem in supporting this section.

Mr. Chairman: Going in rotation, it is my understanding that the minister has an amendment to section 2, so if the minister wants to respond and also bring forward her amendment—

Mr. Boudria: On a point of order, Mr. Chairman: Is it not customary to deal with the section before dealing with the amendment? We have started to deal with the section. Can she now introduce her amendment?

Mr. Chairman: At any time.

Mr. Boudria: Okay. I will speak on the amendment then.

Hon. Miss Stephenson: Mr. Chairman, I am sure members are aware that the necessity for the existing subsection of section 2 is that this act must bring the term of office into line with that which is governed under the Municipal Elections Act. It is to make sure there is compliance between the two acts that the existing section is included. That is a requirement.

I am sure the member for Oakwood (Mr. Grande) also knows that had this act been passed before November 8, we might not have had to include certain specifics within it. However, the Metropolitan Toronto School Board is a unique institution. The length of term of that school board must be amended in this act in order to make it comply with what has happened under the Municipal Elections Act.

Mr. Chairman: Hon. Miss Stephenson moves that section 2 of the bill be amended by adding thereto the following subsection:

"(2) The members of the boards of education mentioned in section 118 of the said act elected to office in the regular election in 1982 shall hold office for a term of three years and until their successors are elected and a new board organized."

Hon. Miss Stephenson: Hereafter, the Met-

ropolitan Toronto School Board will fall into line under the Municipal Elections Act.

Mr. Grande: Mr. Chairman, I hope you will not prevent me from speaking to the amendment.

Mr. Chairman: No.

Mr. Grande: That is fine; you do not think that since I have spoken once on this section I cannot speak again. Basically, the minister should have allowed debate on section 1 and then moved her amendment, or at least she should have moved the amendment before—

Mr. Chairman: On section 2, it might have been my fault. As chairman of the committee, perhaps I should have acknowledged her first in terms of the amendment. It having been my mistake in the acknowledgement, we will allow full discussion. There is no problem. In rotation, the member for Prescott-Russell.

Mr. Boudria: Mr. Chairman, I listened with great attention to the comments made by my colleague the member for St. Catharines and also those of the member for Oakwood pertaining to section 2. I listened also to the amendment from the minister. I will make my comments on both the amendment and section 2. I may even throw in a few comments about the bill itself. I am sure if I do that at length you will bring me to order.

Hon. Miss Stephenson: We are dealing with this section.

Mr. Boudria: I recognize that. The minister is explaining to me that we are dealing with this section. I am fully aware of that. I would never attempt to do anything that would make me speak on anything but the section.

Mais je voudrais quand même vous dire, M. le Président, qu'il est important que nous exprimions notre avis sur l'amendement de l'article 2, tel qu'il est proposé par le ministre. Comme vous le savez, M. le Président, nous avions en Ontario, depuis déjà quelques années, les élections municipales et scolaires tous les deux ans.

En raison d'un changement récent, ces élections auront lieu dorénavant tous les trois ans. Ce sujet a suscité certaines controverses ici, à l'Assemblée législative. Et comme mon collègue, le député de Ste. Catharines l'a exprimé—cela s'est dit aussi dans les différents caucus des partis—un conseiller scolaire et un élu municipal auront maintenant un mandat de trois ans, mandat qui pourrait être beaucoup plus long que celui d'un député fédéral ou provincial.

Comme vous le savez, M. le Président, il y a eu plusieurs élections fédérales et provinciales dans les dernières décennies. Sur la scène

provinciale nous avons eu les élections de 1971, 1975, 1977 et 1981. Ainsi, en l'espace de dix ans, il y a eu quatre élections provinciales. Ceci veut dire que le mandat d'un élu provincial est plus court que celui d'un élu municipal ou scolaire, tel que l'amendement le propose et aussi dans l'article 2 du projet de loi proposé par le ministre.

On s'est inquiété du fait que, sur les scènes fédérale et provinciales, nous n'avons pas de mandat fixe; nous sommes députés tant que nous maintenons notre confiance dans le gouvernement, ou du moins lorsque la collectivité maintient sa confiance dans le gouvernement. Naturellement, ceci n'existe pas aux niveaux municipal et scolaire puisque ce n'est pas comme tel un système parlementaire. Le système diffère de celui que nous avons ici à l'Assemblée législative.

Certains autres ont manifesté le désir que des élections complémentaires aient lieu selon une fréquence plus grande au niveau municipal. Ceci est maintenant vrai puisque avec trois ans, on augmente les chances de voir des élus ne pas terminer leur mandat comme conseiller scolaire. Nous avons justement eu ici à l'Assemblée législative, deux élections complémentaires depuis l'élection de ce parlement en mars 1981. Donc un an et demi après l'ouverture de ce parlement, nous avons eu deux élections complémentaires. La même chose se produira sur les scènes scolaires et municipales.

Je suis pourtant personnellement inquiet: va-t-on avoir, comme par le passé, beaucoup plus de rendez-vous ou au contraire plus d'élections complémentaires?

Certains nous diront qu'il est très difficile d'intéresser les électeurs à aller voter pour une élection complémentaire. On sait que c'est déjà difficile sur la scène provinciale; ce le sera aussi aux niveaux municipal et scolaire, surtout lorsqu'il ne s'agira que de rajouter un conseiller scolaire.

On s'est inquiété, avant les dernières élections municipales et scolaires, du fait que les gens ne sortiraient pas pour aller voter. On a alors vu le ministre des Affaires municipales et du Logement dépenser à peu près un million de dollars pour une campagne visant à inciter les gens à se prévaloir de leur droit de vote et à aller aux urnes en grand nombre. C'est à cette campagne que le ministre attribue l'importante participation électorale à cette dernière élection municipale. Je pense toutefois qu'il s'attribue indûment les mérites de ce résultat. Souvenons-nous que le mandat dure trois ans et que ceci même constitue un encouragement à aller voter.

Je suis très heureux de voir que le trésorier de la province est ici présent dans l'Assemblée, puisque lui portera une grande attention au sujet dont on parle actuellement. Sans doute le ministre de l'Éducation lui a-t-il dit, "Il faut s'assurer qu'ils parlent bien de l'article 2 du projet de loi?" Je suis persuadé que le trésorier expliquera au ministre que la durée du mandat des élus scolaires et municipaux fait précisément partie de l'article 2.

Le ministre des Richesses naturelles partagera cet avis assurément, puisqu'il est resté ici pendant mon exposé; il reconnaîtra certainement que j'ai respecté notre accord de ne discuter que de l'article 2 du projet de loi.

5:20 p.m.

Mr. J. A. Taylor: A point of order, Mr. Chairman: It strikes me, with my limited knowledge of French, that the honourable member is not on the subject of section 2. I bow to your greater familiarity with the French language to rule on that, but I point it out to you.

Mr. Chairman: I am afraid my familiarity is not much greater, I am sure, than that of the member who brought this to my attention. I will have to rely on all members to help to direct the chairman as to whether the honourable member is actually speaking to section 2. I am also going to have to call upon the member for Prescott-Russell to try to limit his discussion in French to section 2. I am just going to have to make a judgement call when the members on my right bring it to my attention that they do not think you are talking about section 2. That is the best I can do.

Mr. Boudria: Mr. Chairman, I can assure you I have spoken only on section 2 and on the amendment. In order for you and the minister to be quite sure, perhaps I should repeat some of the things I said. Shouldn't I?

Hon. Miss Stephenson: No, don't bother.

Mr. Boudria: I will summarize them then. I will explain briefly the essence of what I was saying.

I was saying to the House that, as the member for St. Catharines has said, there has been a lot of concern expressed about the change from a two-year to a three-year term of office in both municipal and school-board elections. One of the reasons for our concern is that a municipal or school board official will now have a longer term of office, on average, than a provincial or federal member. I explained, Mr. Chairman, that in 1971, 1975, 1977 and 1981, we had provincial elections.

Since we will be having the three-year term of office as proposed in this section and this amendment for school purposes in Metro Toronto—

Hon. Miss Stephenson: In line with the Municipal Elections Act, which you have already passed.

Mr. Boudria: We are not discussing the Municipal Elections Act, Mr. Chairman. We are discussing section 2. The minister would be quick to bring me to order if I discussed something else.

Mr. Chairman: The minister does not have the floor.

Mr. Boudria: As I was expressing in my exposé a few moments ago, it now occurs to some of us that the term of office for municipal officials will be longer than that of federal or provincial members.

Hon. Miss Stephenson: It will certainly be longer than yours.

Mr. Van Horne: That is just wishful thinking.

Mr. Boudria: The minister comments upon the length of time she thinks I will hold office here. I do not think it is for the Minister of Education to decide who the people of Prescott-Russell will elect to this chamber. It is the people of Prescott-Russell who, in their wisdom, have chosen whom they wish to stand here. They will do so again in the future and I am sure that they will do so wisely.

Mr. Stokes: Prescott-Russell is not even mentioned in the bill.

Mr. Boudria: As the member for Lake Nipigon says, that is not part of the bill. It was brought up by the Minister of Education in relation to my tenure of office, and length of tenure is part of the discussion of section 2 of the bill. I was comparing the period of office for provincial members to that of elected municipal officials of Toronto. As you will appreciate, Mr. Chairman, that is directly related to this section.

It was also mentioned that if we retained the two-year term of office for school purposes in Toronto and had three-year terms of office elsewhere, every second election in Toronto would be held in a nonmunicipal election year; we would have independent elections for school purposes, which would not be very satisfactory.

I am sure you, sir, would be concerned that voter turnout would probably decrease in those off-years in which we would have elections in Metro Toronto, exclusively. That would create complications. We would have a situation sim-

ilar to that in Quebec, where school elections and municipal elections are held on different dates. They have a voter turnout which is even lower than the turnout here in Ontario.

I also mentioned that the Minister of Municipal Affairs and Housing (Mr. Bennett) was claiming credit for the increased numbers who chose to vote in the municipal and school elections this year, but that his advertising did not have much to do with that. I would suggest it is because we are now going to have three-year terms of office, as expressed in section 2 of this bill, that the attitude of people has changed with regard to voting at the municipal and school-board levels.

This is what has influenced the electorate, not what the Minister of Municipal Affairs and Housing claims credit for. I am sure the Minister of Education will agree that the people of this province decided to vote in greater numbers because of the three-year terms of office and not for the reasons expressed in this House by the Minister of Municipal Affairs and Housing.

Having said that, Mr. Chairman, we are, as the member for St. Catharines has said, in favour of this section and its amendment. Certainly I would be in favour of it even if the minister had read the section in what I hope will soon be one of two official languages in this province.

I am sure that you recognize, sir, in the summary that I have just made in the English language, that I certainly did not at any time speak to any other section in the French language than I did in the English language. I wanted you to be assured that I would not take undue advantage of the fact that some members may not have grasped every single word I said.

At the insistence of the member for Prince Edward-Lennox (Mr. J. A. Taylor), I felt I should give this summary in order to enable him to understand everything I had said in my original presentation. I would not want him to be unable to understand what I was expressing as far as section 2 of this bill and its amendment were concerned.

5:30 p.m.

Mr. J. A. Taylor: On a point of privilege: The honourable member has indicated that the reason for my point of order was that I did not understand what he was saying. The problem was that I think I did understand what he was saying and therefore raised the point of order because he was not dealing with section 2 of the bill. I would just like to clarify that.

The Deputy Chairman: Do you accept the point that has been made? Just carry on.

Mr. Boudria: I will respond to that at the same time as I am carrying on, Mr. Chairman.

That is factually incorrect. I have spoken only to section 2 of the bill in the French language. The member for Prince Edward-Lennox did rise prior to your coming into this House to express the point that perhaps I was speaking to other sections of this bill or on matters that were not directly related to section 2.

When the member questioned whether I was speaking to section 2 of this bill, I felt it was very important that I summarize in English what I had said in the French language to ensure that he would be able to understand very well that I had not spoken on any other section but section 2 of Bill 127.

Hon. Miss Stephenson: You have said it seven times and it is still not correct.

Mr. Boudria: The minister is saying that I am being somewhat repetitious. I assure you that is not my intention. My only intention is to ensure that the member for Prince Edward-Lennox understands the summary I have made as to our position, or at least my own personal position, on section 2 of Bill 127 and its amendment.

I thought perhaps you had another point of order.

Mr. Ruprecht: Keep it right up. Do not let them intimidate you.

Mr. Boudria: I will not let the member for Prince Edward-Lennox—

The Deputy Chairman: Speaking to the amendment. I truly hope we can have that spoken to and that alone.

Mr. Boudria: Thank you very much, Mr. Chairman. I am glad you are displaying this authority to ensure the members on the government side will not be unduly provocative and prevent us from having a full and thorough discussion on section 2.

The Deputy Chairman: And that all honourable members will understand we have one thing before the House at this time.

Mr. Bradley: He won't be intimidated by the government members.

Mr. Boudria: Mr. Chairman, I know you would not be intimidated by government members. Perhaps others will, but you will display all the authority necessary.

The Deputy Chairman: Speak to the bill.

Mr. Boudria: Speaking not only to Bill 127 but

rather to section 2 and its related amendment as proposed by the minister—

Mr. Bradley: A good amendment it is.

Mr. Boudria: —we are in favour of the amendment and the member for St. Catharines has just expressed that we will be supporting this amendment.

Mr. Grande: When the minister introduced this amendment to section 2, she did not say why she needed it in the legislation. If I heard the minister correctly, she did say that if the bill had passed before November 8, then there would have been no need for this section. Since the bill did not pass before November 8, there is a need.

Let me ask the minister a question. Is she intending to say, because Bill 127 was not passed before November 8, it means that the Metropolitan Toronto School Board can no longer perform its functions as set out? If the nodding of her head means the Metropolitan Toronto School Board could perform its functions uninterrupted as a result of the municipal elections, then I do not see the need for that amendment at all. If she is basically saying there was a flaw in the draftsmanship of this amendment and, therefore, as a result of this bill coming before the committee of the whole house, she and her people in the ministry picked up that there was a flaw and that the legislation as it stood was not clear, then at least she should admit it.

Obviously her answer will determine to a tremendous extent what I and this party will be doing with this amendment. If it is the case that the Metro board today does not exist because it has not been duly set up as a result of the November 8 election, because its mandate expired on November 8, 1982, then I must say to the minister this party will definitely not support this amendment. This party is on record as not wanting the Metro school board in place anyway. I will let the minister answer the question and then I will proceed, Mr. Chairman.

Hon. Miss Stephenson: Mr. Chairman, I will say it again and I hope I will say it more clearly, because I obviously did not clarify it sufficiently last time.

The present section 2, which deals with subsection 118(4), provides for a two-year term for the members of the board of the area municipalities, and the re-enactment of subsection 118(4) simply brings the Municipal Elections Act into play so that no need exists to refer to the length of term of office under that section.

In the meantime, this act retains a two-year term beyond the November 8 election. The

addition of subsection 2 clarifies that the members elected on November 8 were elected for three years, notwithstanding that at that time the act said they were going to be elected for two years, or at least at that time the current Municipality of Metropolitan Toronto Act said something about a two-year term. We felt it was important to clarify that so there would be no misconception about it, but it is my understanding that the Metro school board remains in place until a new board replaces it so that its function can continue whether this act is in place or not.

Mr. Grande: Mr. Chairman, let me continue with my remarks. Where does the amendment the minister is putting forth talk about the Metropolitan Toronto School Board? What I read is, "The members of the boards of education mentioned in section 118 of the said act. . ." And subsection 118(1) of the said act, the Municipality of Metropolitan Toronto Act, says:

"On and after the first day of January, 1967, there shall be a board of education for each area municipality, to be known respectively as, (a) The Board of Education for the Borough of East York; (b) The Board of Education for the Borough of Etobicoke; (c) The Board of Education for the City of North York; (d) The Board of Education for the Borough of Scarborough; (e) The Board of Education for the City of Toronto; and (f) The Board of Education for the Borough of York."

There is no mention of the Metro school board. In section 2, which the minister says she needs so that the Metro trustees who are selected by their respective area boards can sit at Metro, there is no mention whatsoever of the formation of the Metro board, because it talks about the members of the boards of education mentioned in subsection 118(1). I read that and it does not mention the Metropolitan Toronto School Board.

5:40 p.m.

We are saying that those elected "in the regular election in 1982 shall hold office for a term of three years." I repeat that this amendment and clause is superfluous because Bill 46, which I talked about before and which we passed in this Legislature in June of this year, gives the minister the power as part of the Education Act to allow for a three-year term for a trustee.

If the minister wants this section to extend the term of office of the trustees selected by their respective boards in Metropolitan Toronto to

convene and therefore establish the Metro school board, this section just does not do that. There is no mention whatsoever of the Metro school board unless, of course, the Minister of Education and the government, when they refer in that particular section to the members of boards of education, do not accept that there are six area boards in Metropolitan Toronto and just mean the Metro school board.

I hope the minister will clarify that. As far as I am concerned, it is superfluous. It does not do what the minister intends it to do.

Hon. Miss Stephenson: Mr. Chairman, I am sorry. I definitely have misinformed the House in that this section deals precisely, as the member for Oakwood said, with boards of education for the areas that make up Metropolitan Toronto.

The reference to the members of the Metro school board is in section 125 of the Municipality of Metropolitan Toronto Act which is in section 5 of the bill. This section refers only to the election for three years of the area board members. It was felt it was necessary, because of the primacy of the Metropolitan Toronto act, that there should be inclusion specifically of the term of office which is now prevalent as a result of the Municipal Elections Act to make sure the two acts are congruent rather than opposed to one another.

Mr. Grande: What does the minister mean, "the primacy of the Metropolitan Toronto act"? The primacy is of the Education Act if there is any primacy.

Bill 46, under which we have given every elected trustee in Ontario a three-year term, also applies to the area boards in Metropolitan Toronto. I do not intend to repeat myself but, to make it clear to the minister, the only thing we do not now have in place is the three-year term for the Metro trustees who are selected by their area boards to sit at Metro, because their term of office at the Metropolitan Toronto board level would end after two years, as the act states right now.

Therefore, if the minister wants to give those trustees the extension from two to three years, however many there are, 20 or 22, this amendment will not do it.

Hon. Miss Stephenson: I think I just explained that I had misinformed the House that there was any relationship between this section and the Metropolitan Toronto School Board. The member rightly states that this section refers only to the election of trustees within the area boards.

He is quite correct. It was simply to bring this act into congruence with the Municipal Elections Act, which was modified, and to ensure that there would not be conflict regarding the term. It was felt by legislators who know a good deal more about the writing of law than I do that this was the appropriate thing to do.

Mr. Ruprecht: Mr. Chairman, I want to tell you very briefly one observation I have to make about this amendment. It may look as though the amendment has been an afterthought, as the member for Oakwood mentioned. But to my mind it does not appear to be an afterthought; rather, it appears to be the very justification for bringing Bill 127 forward.

Much has been made of the minister's whole idea of streamlining and rationalizing the educational process and policies, and in this specific instance in section 2 she is doing that, she is streamlining and rationalizing; but that, I should point out, is not the true reason why we would want to support the whole nature of Bill 127.

In fact, we would support section 2 if she were to throw out all the other sections which are irrelevant and which really cause irreparable harm to the whole educational process in the city of Toronto. If the minister were able to come to some kind of tradeoff by supporting section 2 as opposed to striking out all the rest of the sections, I think we would be very happy.

Mr. Bradley: Eminently reasonable thought. Interjection.

Mr. Ruprecht: The minister says it is irrational. I do not happen to think it is irrational at all. The whole reason for producing Bill 127 is specifically this section. I think it makes sense, because it would be illogical to have municipal representatives, aldermen, represent their constituencies for three years and trustees represent their constituencies for two years and consequently spend a great deal of extra taxpayers' money in having extra elections. So in that specific instance it would make sense.

Having said that, however, let me make it very clear that the fact that both opposition parties will support this section is no indication whatsoever that we support any other section of this bill. The reason for this is very simple. We are convinced that most of these sections are incongruent and damaging because they take power away from teachers, from trustees and from the very reason this kind of process has been instituted in the first place, namely, parent power. I think you would be the first to agree,

Mr. Chairman, knowing something about education.

I know the minister is looking askance at me, thinking in her own mind that she should come to some kind of agreement with the opposition parties as to whether she should scrap the rest of these sections and—

The Deputy Chairman: Just deal with the amendment and we will all be happy.

Mr. Ruprecht: If I may simply be so bold, I want to indicate that the reason we do not support any of these sections is that we believe that once the minister looks at the facts of the situation and at the petitions she has received and thinks of what happened when she was before the committee that discussed Bill 127, when literally hundreds of people came forward and said, "No, we cannot support Bill 127." I grant you, Mr. Chairman, when you look at the specific sections, as in this specific case of section 2, that there is a certain merit in suggesting that there should be congruence between the Municipal Act and this specific bill, which talks specifically about trustees.

5:50 p.m.

To reiterate, we want to make it very clear that we believe this education bill, Bill 127, is flawed in its very foundation. I say this knowing fully—and the minister knows this full well—what the response has been in the city of Toronto and, I might add, by some people who have come from other parts of the Metropolitan area, from other parts of the boroughs of Metropolitan Toronto.

The message, and I will end with this, is very clear. The Chairman knows, I know, and the minister knows full well, that some people who are ordinary parents have been activated by this specific bill only because people believe it is so destructive to the educational policy in Toronto. Some people have even gone to the expense of putting their hands in their own pockets and have produced material, have even produced three kinds of buttons to make it abundantly clear not only that they are opposing all the other sections but also that they are opposing the minister in her stubbornness to push Bill 127 down the throats of thousands and thousands of people in this Metropolitan area.

The Deputy Chairman: Does any other member wish to participate in this debate? Oh, the member for Scarborough West.

Mr. R. F. Johnston: I appreciate the recognition, Mr. Chairman. I am feeling buoyed up by the minister of sweaters, who is here; I am

pleased to see him all bundled up in the front row over there.

I rise to speak on this particular portion of the debate because I want to speak in favour of something in this bill. I find myself in the position of being able to speak in favour of this amendment, Mr. Chairman.

The Deputy Chairman: All I ask the honourable member is, do not repeat anything that has been said. After you have made your point then we can—

Mr. Bradley: What argument are you making? Would you elaborate on your reason.

Mr. R. F. Johnston: I would like to elaborate on some of my reasons for rising in support of this amendment which moves the three-year term, something of which I have been in favour for a good length of time. In fact, the first private members' motion I introduced in this Legislature and was able to speak to in this House was exactly on the three-year term and the need for a three-year term.

Hon. Miss Stephenson: Are you really in your anecdotage now?

Mr. R. F. Johnston: Well, I am in my dotage; I am not sure it is my anecdotage, but that is a good quip for a member with an askance eye, whatever that is. I thought it was a medical term; I was not sure. The wandering eye.

Hon. Miss Stephenson: It isn't.

Mr. R. F. Johnston: It is not.

I am pleased to support this amendment. I realize it is a housekeeping amendment, but it is vital that there be recognition, and I am glad that it is in here. I am also glad because of the importance of the office of trustee, even if the holders of such offices are held to a five per cent increase on their motley salaries or stipends at this point. I am glad it is in here.

I must also add and make it very clear that although I find myself able to rise with great enthusiasm to support this amendment, I am not sure I am going to be able to support any others that are introduced by the minister.

I just wanted this positive feeling to exude and fill the House at this point, because I am likely to add a great deal of negativism to the coming debate. When I speak negatively, as the Minister of the Environment (Mr. Norton) in his sweaters will know, I speak at length. When I speak in favour, as people know, I often speak pithily.

Hon. Mr. Norton: Pithily?

Mr. R. F. Johnston: I just wanted to be clear about that. I just wanted to make sure that the House did not miss my chance to jump in at this point in support of something that the Minister of Education has proposed.

Mr. Bradley: Mr. Chairman, in speaking to the amendment this time, I will be uncommonly brief on this section, because there are a couple of things I forgot to say last time when I was speaking to the section as a whole. I do not know whether you had a chance to sit in the committee, Mr. Chairman.

The Deputy Chairman: I did.

Mr. Bradley: Then you will recall that even those who are most vehemently opposed to Bill 127 came before the committee and said, "If there is one section of this bill that we would like to see go through"—as a separate bill, of course—"it is the section that would be classified as housekeeping," which is the section that would permit the members of the boards of education in the municipality of Metropolitan Toronto to be elected for a three-year term.

We in the opposition said essentially the same thing. We recognize that the minister wants to get this bill through. We recognize that if she had her way, it would have been through the House weeks ago. But on this occasion we found many parts of the bill that were not acceptable to us; so we said, "Let's look for some parts of the bill that are supportable by the opposition."

Carrying on with the very positive note of the member for Scarborough West, we found this section to be acceptable. We also found another section that will be acceptable to us; it deals with remuneration, but I will not talk about it now, because the Chairman wants me to stay on this section. We will deal with that a little later.

The Deputy Chairman: If we pass this section, then we can go on and discuss the other one you are talking about.

Mr. Bradley: That is a consideration. But members of this House will recall that in committee I stated the fact that we could pass in one day a housekeeping bill that would allow the members of the various boards of education within the municipality of Metropolitan Toronto to be elected for a three-year term; we would pass that immediately, and we would guarantee that it would happen before the election.

Hon. Miss Stephenson: I would not believe you. Not even if you guaranteed it would I believe you.

Mr. Bradley: When it comes to believing, of course, the Minister of Education has not

always provided factual information to members of the committee or members of the House.

The Deputy Chairman: I question what the honourable member is saying there.

Mr. Bradley: Inadvertently, of course.

Hon. Miss Stephenson: Mr. Chairman, on a point of personal privilege: I believe that statement should be withdrawn, because it is anything but factual.

The Deputy Chairman: Thank you. I will ask the honourable member to withdraw that statement.

Mr. R. F. Johnston: I think he meant it was more than factual. Is that what you meant?

Mr. Bradley: That is correct.

The Deputy Chairman: I would like you to withdraw that statement.

Mr. Bradley: Mr. Chairman, I would not want to suggest in any way that the Minister of Education would ever intentionally provide information that was not factually correct to the House, and at no time did I suggest that it was intentional. In fact, we have had an example—and you were listening carefully this afternoon, Mr. Chairman—of the minister providing information that was not factual to us, and she got up and corrected it.

The Deputy Chairman: As long as you have withdrawn the intent of your original statement.

Mr. Bradley: Well, certainly. I would never want to impute those kinds of motives to the Minister of Education of this province, because I do not think she would ever intentionally want to mislead the House. I simply said she did not provide factual information.

The Deputy Chairman: Would you deal with the motion now? We are at the point where, with a bit of luck—

Mr. Bradley: Okay. We are back to the amendment that is before us. As I say, this could have gone speedily through the House if it had not been attached to the rest of this bill. It reminds us of some of—

Hon. F. S. Miller: You would not let a student in your class go on like this.

Mr. Bradley: Well, I will not respond to the interjection of the Treasurer—

The Deputy Chairman: No, please do not. Just allow yourself to deal with the amendment.

Mr. Bradley: —because I know you want me to deal with the bill.

Interjection.

Mr. Bradley: Sorry. I thought the member was up on a point of order. He is not.

The Deputy Chairman: No. You have the floor.

Mr. Bradley: I think I have clearly indicated our support for this aspect of the bill in this section, and I am sure that I speak on behalf of all our members, whether they are from Metropolitan Toronto or from other parts of the province, when I say that we can very much support this amendment. We are pleased that the minister is prepared to be as accommodating on this section as she could be. We only hope

she will be as accommodating on the other sections when we bring forward amendments to those sections of the bill.

Motion agreed to.

The Deputy Chairman: Shall section 2, as amended, carry? I heard some nays.

All those in favour will please say "aye."

All those opposed will please say "nay."

In my opinion the ayes have it.

Section 2, as amended, agreed to.

The House recessed at 6 p.m.

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Ontario

LEGISLATIVE ASSEMBLY

No. 145

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Official Report (Hansard)



Second Session, Thirty-Second Parliament

Tuesday, November 16, 1982

Evening Sitting

Speaker: Honourable John M. Turner

Clerk: Roderick Lewis, QC

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LEGISLATURE OF ONTARIO

Tuesday, November 16, 1982

The House resumed at 8 p.m.

House in committee of the whole.

MUNICIPALITY OF METROPOLITAN TORONTO AMENDMENT ACT (continued)

Resuming consideration of Bill 127, An Act to amend the Municipality of Metropolitan Toronto Act.

On section 3:

The Deputy Chairman: We are continuing the committee review of Bill 127, An Act to amend the Municipality of Metropolitan Toronto Act. We have completed section 2 and are now proceeding to section 3. Just to check the amendments, does section 3 carry?

Section 3 agreed to.

On section 4:

The Deputy Chairman: I note the member for Oakwood (Mr. Grande) is standing.

Mr. Grande: Mr. Chairman, it is not necessary to notice me standing; I am standing.

The Deputy Chairman: I recognize you.

Mr. Grande: This section deals with the fact that 10 members of the school board, —by the way, in a previous section, section 2, the amendments the minister produced do not compose the Metropolitan Toronto School Board, therefore, for all intents and purposes, once this bill is passed there is no such beast as the Metro board.

Anyway, proceed that as it may, I think perhaps the minister will be coming in with an amendment before the amendment route is over here, before the snow melts on the ground in Metropolitan Toronto.

Let me deal with section 4. It says, "Ten members of the school board are necessary to form a quorum when the school board is dealing with matters that affect public schools exclusively and 11 members of the school board are necessary to form a quorum in all other cases. . ."

I am particularly interested in the brief the borough of York brought before us because I represent that great borough in this Legislature. One of the points the chairman—now the past chairman, but still the chairman of the York

Board of Education—made in the brief before the standing committee on general government was that, out of the 21 members necessary to constitute the Metro Toronto School Board, the borough of York basically has one vote on that body; and the chairman, with the board in agreement, asked us, "How can we affect anything at the Metro board when we have only one vote?" They were talking about changes of boundaries. I guess they were referring to the Robarts commission report.

If the government had accepted the Robarts commission report in 1978, it would have enlarged the boundaries of the borough of York substantially to give it the proper tax base it requires in order to run an efficient school system or an efficient municipality. However, this government has turned its collective back on the borough of York. The municipal election in the borough of York said, in a very clear way, "If you as the government of the province turn your back on us, we will turn our back on your candidates." And they did so. Of course, we will have to wait for the official recount to see who the mayor of the borough of York will be, and we will find out pretty soon, I suspect.

But with regard to the board of education they are saying, "In our own board of education we can make decisions about our priorities, whether our priority will be to keep small schools open"—and, as a matter of fact, it is—"or to maintain as small a class size as we possibly can"—this is a direction in which they at the local level have rightly gone but how can we effect any change at the Metropolitan Toronto board level when we have only one vote?"

They were saying to the minister and to the committee—more important to the committee than to the minister, because the minister has always turned a deaf ear to these pleas from the different boards of education or parent groups or—

The Deputy Chairman: I am having difficulty relating the honourable member's presentation to the quorum that is referred to in section 4, which we are now considering, so I would ask him to tie his remarks in to the section that is before the House.

Mr. Grande: Mr. Chairman, in order to talk

about a quorum, you have to talk about the composition of the Metro board; otherwise talking about a quorum is meaningless.

The Deputy Chairman: I was just asking. I was not sure where it was going.

Mr. Grande: I thought I was being clear on that, but since you told me to clarify it, I have done so.

But the borough of York is asking, "With a quorum of 10 in certain votes and a quorum of 11 in other cases, how can we effect any change when we have only one member on the Metro board?" I would like to know how the minister is going to address this particular concern of the people, the trustees and the board of the borough of York. Whether she does it here or elsewhere or at any other time I do not care.

As you very well know, Mr. Chairman, this bill gives tremendous, almost frightening powers to the Metropolitan Toronto School Board. And, as the former Minister of Education put it in the House back in 1978 in response to the Robarts commission report, with these powers that the Metro board will have, the borough of York, with its one member on that board, will find itself totally at the mercy of the Metro school board in terms of the priorities and the delivery of educational services needed at the local level.

8:10 p.m.

I am asking the minister to address that particular concern of the borough of York. Obviously, the quorum this section talks to is very much determined by the representation York has on the Metro board. I hope the minister will give a satisfactory answer to that tonight.

Mr. McClellan: Mr. Chairman, I have a couple of comments. This section of the bill appears to be quite innocuous, but in its own little way it adds to the power of the Metro school board. That is what this prolonged discussion is all about; a little bit of power here, a little bit of power there.

Mr. Boudria: What do you mean, prolonged?

Mr. McClellan: I do mean prolonged.

Mr. Nixon: We do not find it prolonged.

Mr. Boudria: No, nonsense.

Mr. McClellan: It is going to be prolonged because we are very much opposed to the thrust of the bill, even to a seemingly innocuous housekeeping amendment, such as the one in front of us, which changes the nature of the quorum of the Metro board.

The footnote to the bill indicates that the quorum is being changed because the Metro board has been strengthened by adding to its size. Again we are seeing on the part of this government a determination to increase the size and the power of the Metro school board at the expense of the area school boards.

My colleague the member for Oakwood (Mr. Grande) has spoken about the problems he has in his borough. For a moment, I will just touch on our concerns in the city of Toronto.

The struggle began over 15 years ago, to deal with the inequities in the distribution of education services throughout Metro and, in particular, throughout the city of Toronto. I am talking about the fact that, in the inner city and in the area south of Bloor Street, we were cursed with second-class facilities. Our children were streamed into second-class programs and given access to second-class opportunities because of the bias of the education system in favour of well-to-do neighbourhoods and well-to-do citizens of the city and of Metropolitan Toronto.

Over the last 15 years, a concerted struggle has taken place to try to redress that imbalance; to make sure that children who go to school south of Bloor Street, for example, have the same access to quality education as children who go to school in north Toronto, Don Mills, York Mills or parts of Etobicoke, the more prosperous and favoured areas of this metropolitan area.

That struggle has not been easy and the battle has not been won. There are a few signs at least that in the city of Toronto we have managed to make some real progress in reducing class size and in providing additional services, opportunities and special education programs to our children. We have not done that with the co-operation of the Metro school board, but in the face of its opposition. People have had to battle at the Toronto Board of Education against the opposition, the harassment and resistance of the Metro school board.

For the reasons I have spelled out, we do not think that is fair. We do not think it is fair that children who live south of Bloor Street should have less opportunity than children who live in more favoured areas. We also do not think it is fair, because the city of Toronto has been generous to the rest of the Metropolitan area in sharing its tax base, particularly in the earlier periods of rapid growth of our suburban areas in the 1960s when Metropolitan government was first established. The city of Toronto was very generous, permitting the suburbs to develop

their own education facilities and to use the borrowing power of the city of Toronto to put in place an educational system right across the boundaries of the Metropolitan area.

We have found that generosity has not always been reciprocated when it comes to trying to deal with some of the problems of our inner city areas. We have found that the Metropolitan school board, representing as it does the majority of more prosperous and more favoured areas of Metropolitan Toronto, has not been willing to go out of its way to redress the imbalance in educational opportunities and services in the city of Toronto or, may I say, in many of the suburban areas: in the Jane and Finch area, in parts of Scarborough, in parts of East York, in parts of the borough of York and in parts of Etobicoke and northern Etobicoke. The Metropolitan school board has shown itself insensitive to these kinds of concerns; the only pockets of concern and sensitivity have been at the level of the local boards, in particular the board of education of the city of Toronto.

Many people have come together, as I said, over a long period of time, over a period of more than 15 years. I do not speak this way simply because, in recent years, the New Democratic Party has had a leading role in that movement. I would say the movement preceded the involvement of the New Democratic Party. I can recall, in the mid-1960s, the efforts of the Trefann mothers' group to bring attention to the problems they were facing in Ward 7 in south Cabbagetown when Cabbagetown was still a low income area. That is a long time ago.

Mr. Nixon: I thought we were talking about the school board.

The Deputy Chairman: I know the honourable member has much to contribute to this, but we are specifically dealing with section 4 and that has to do with a quorum for voting.

Mr. McClellan: I tried to set out at the beginning of my remarks that this is only one of a series of amendments in this bill.

Mr. Nixon: Now we are approaching the end.

Mr. McClellan: I am approaching the end. This is one of a series of amendments to the Municipality of Metropolitan Toronto Act that serves to strengthen the Metro school board, and the purpose of that strengthening process is to weaken, at the same time, the area school boards. It is a stingy and miserly concern related to constraints, restraints, cutbacks and the containment of educational opportunity. It has nothing to do with meeting the needs of children.

I do not want to exhaust the patience of my friend the member for Brant-Oxford-Norfolk (Mr. Nixon) or yourself, Mr. Chairman, and I will not pursue these thoughts on this relatively insignificant amendment. But we will be coming back to this theme, and as this debate proceeds over the following days, weeks and months, we will be raising our opposition to what the Minister of Education (Miss Stephenson) is trying to do to education in Metropolitan Toronto.

9 p.m.

The committee divided on whether section 4 should remain as part of the bill, which was agreed to on the following vote:

Ayes 58; nays 40.

Section 4 agreed to.

Mr. Breithaupt: Mr. Chairman, I thought that with the number of members present in the House, they would like to welcome one of their former colleagues, the former member for Lincoln, who now is the mayor-elect of Grimsby.

The Deputy Chairman: Indeed, we welcome him.

Mr. Renwick: Mr. Chairman, on a point of privilege: I am glad the Attorney General (Mr. McMurtry) is in the House, because I am in somewhat of a quandary as to how to deal with this matter. Under the rules of the House, standing order 18, I must speak immediately at the first opportunity on a matter of privilege.

My matter of privilege, and perhaps as the House—

The Deputy Chairman: What you are talking about should be raised before the House. We are in committee right now.

Mr. Renwick: Mr. Chairman, I want to give you and the House notice that I intend to raise a matter of privilege with respect to the breach of my privileges by the exchanges between the Leader of the Opposition (Mr. Peterson) and the Attorney General with respect to remarks made by the Attorney General outside this chamber on November 4.

I raised this matter a week ago. I give the Attorney General notice that, first thing tomorrow, I will ask him either to explain his statement, to withdraw his statement or to apologize to the House for his statement.

The Deputy Chairman: We are considering Bill 127, and we have passed section 4.

Mr. Roy: Mr. Chairman, on the point of privilege—

The Deputy Chairman: I do not see this as

being relevant to the bill that is before the committee of the whole.

Mr. Roy: It may not be but, pursuant to standing order 18, a point of privilege must be raised at the first opportunity. The member for Riverdale (Mr. Renwick) having made a comment about the Leader of the Opposition, I point out to him that if there has been any breach of privilege, it does not involve the question of the Leader of the Opposition to the Attorney General; rather, it is the Attorney General's statement made in relation to the proceedings taking place during the trial that is a breach of privilege.

On section 5:

Mr. Bradley: Mr. Chairman, if we could pick those sections of the bill that are more offensive than others, section 5 would not qualify as one of the more offensive sections. Again, I would indicate that in our view, if section 5 had been included in a separate bill because it is relatively of a housekeeping nature, it would have received speedy approval and would not have had to await the final passage of this bill, which we anticipate is going to be some time off yet, if at all, unless there is a withdrawal on the part of the minister in midstream.

There was a need for clarification of the term of office for members of the school board. We recognize that this section of the act is to provide for resignations and to make the provisions related to members of the school board appointed by the Metropolitan Separate School Board more closely parallel to those related to the members appointed by the boards of education.

As I have indicated, that is not going to generate much controversy when members of this House deal with it, because that section did require some improvement, but again to include it with other sections of this bill which we find more offensive is obviously going to slow down this process.

For instance, the last section was of no great controversy but required a vote of the House. If we wanted to zero in on those sections that were most offensive, they would be those that are yet to come in this bill.

On this section as a whole, we do not find any great objection. There is no reason for us to demand withdrawal of this section of the bill as we would sections 6, 7 and 8 if the minister were really responding to the wants and needs of the people of Metropolitan Toronto as they relate to education.

There will not be a great deal of objection to it. The minister may have some comments and clarification, or she may not. There will be some questions raised. The member for Oakwood has indicated he has a question related to the separate school board and wants to place that question now. I am going to give him the opportunity to do so.

Mr. Chairman: We are speaking on section 5. I took the chair when we were just getting into it. Are we going to talk on each specific section or generally on the whole section?

Mr. Grande: There is only one section. It is section 5.

Mr. Chairman: There are a number of subsections. The member for St. Catharines suggested we were speaking on the whole section at once.

Mr. Grande: Mr. Chairman, I have one question in terms of the separate school representatives. While the minister did make an amendment in this legislation to provide for the three-year term of office for all the trustees across this province, I am wondering why it is that, for the separate school representative on the Metro board, the two-year period is still in place. Is there any explanation?

At this time, I want to take the opportunity to say to the minister that if she wants to expedite the work of the Legislature when we have questions, I hope the minister or somebody on behalf of the minister will try to answer those questions and bring some clarification.

On the previous section, I asked the minister a question about the borough of York and I did not hear any answer, if indeed the government has any answer. I guess, since we heard no answer, the government has no answer to that particular concern.

9:10 p.m.

I hope that when I ask questions as we go through this bill, the minister will find it possible to come to grips with answering those questions. The questions are asked by me or other members of the New Democratic Party, but obviously they are asked on behalf of the parents, the teachers and anybody in Metropolitan Toronto who wants the minister to withdraw this obnoxious bill.

Hon. Miss Stephenson: Mr. Chairman, I want to respond to what I believe was the question which the honourable member put and which I had little opportunity to answer since other members decided they wished to participate.

The question was related to the representa-

tion of the members of the Metropolitan Toronto School Board. That is a very simple procedure which is in existence right across Ontario. It relates specifically to a formula based upon population and assessment. That formula applies to other areas of the province in the same way as it does to Metropolitan Toronto for representation at the Metro school board.

Should the formula be changed? There is, right now, a committee of the ministry looking at trustee representation. If there is to be a modification of that formula, then obviously it will apply as well to the Metro school board and to representation throughout Metropolitan Toronto.

The member also asked a question which, I gather from what he said, related to the suggestion that under this bill the Metropolitan Separate School Board was on a two-year election cycle. That is not so. There is nothing within the bill which suggests that the Metropolitan Separate School Board is on a two-year election cycle. It is on the same cycle as everyone else. Therefore, the representation will be precisely as it is: on a three-year basis, with the same kinds of principles applying as apply to other trustees.

Section 5 agreed to.

On section 6:

Mr. Chairman: I see that the minister has an amendment. It would make sense to allow her to put the amendment first so that all members might have the opportunity to discuss the section with the amendment.

Mr. Martel: The whole bill doesn't make much sense; so why would you make that suggestion?

Mr. Chairman: Hon. Miss Stephenson moves that subsection 127(4) of the act as set out in subsection 6(2) of the bill be amended by striking out "an amount that, in the opinion of the school board, is equal to the portion of the surplus that was raised by local taxation in the area municipality" in the 10th, 11th and 12th lines, and inserting in lieu thereof "an amount that does not exceed the amount of the surplus, and in determining the amount of the reduction in the apportionment, the school board shall give consideration to the circumstances that, in the opinion of the school board, contributed to the size of the surplus."

Hon. Miss Stephenson: Mr. Chairman, the reason for this amendment is that it provides an equal area of responsibility, as established by the guidelines to be determined by the Metro school board, by representatives of all the

boards in the Metro school board in their responsibility for determining both the deficit and the surplus amounts which are to be dealt with in the legislation.

It is felt that the responsibility should be equal on either side. The responsibility for the method of determining the surplus and the method of determining the deficit should be equally balanced responsibilities for the Metro school board. That is why this amendment is introduced.

Mr. Chairman: It might make some sense if we could get copies of that to the—

Hon. Miss Stephenson: They have copies of that.

Mr. Chairman: Oh, have they got copies?

Hon. Miss Stephenson: Yes, they have.

Mr. McClellan: Mr. Chairman, I have a point of confusion. My copy of the bill, and I think I am reading from the right copy of the bill—

Hon. Miss Stephenson: Subsection 6(2).

Mr. McClellan: My confusion has been clarified.

Mr. Chairman: Is it the 10th, 11th and 12th lines of subsection 2 of section 6?

Hon. Miss Stephenson: I am sorry, Mr. Chairman. I regret that is incorrect.

Mr. McClellan: I was right. It is at the wrong place.

Hon. Miss Stephenson: Yes.

Mr. Martel: I told you something was wrong with this crazy bill, Mr. Chairman.

Hon. Miss Stephenson: No.

Mr. McClellan: I cannot find in my copy of the bill the section and subsection that is referenced in this amendment. Somebody is going to have to locate it in my copy of the bill.

Mr. Chairman: Let us have a minute's grace and allow the minister to consider.

Hon. Miss Stephenson: In fact, it is on page 5 of the bill; it is subsection 6(4) and not 6(2). I am sorry. It was an error, and I apologize for that.

Mr. Chairman: In the 10th, 11th and 12th lines.

Mr. McClellan: Could we start again and pretend the previous fiasco did not happen?

Mr. Chairman: The member for Wentworth North (Mr. Cunningham) made a fairly good suggestion, it seems to me, that we consider it clause by clause in this section.

Mr. McClellan: Yes. That is what we normally do.

Mr. Chairman: I know we normally do that, but section 5 we carried as a whole.

Subsection 6(1)? Carried. Subsection 6(2)? Carried. Subsection 6(3)? Carried.

On subsection 6(4), the minister has an amendment. Shall we do this again then?

Hon. Miss Stephenson moves that subsection 127(4) of the act as set out in subsection 6(4) of the bill be amended by striking out "an amount that, in the opinion of the school board, is equal to the portion of the surplus that was raised by local taxation in the area municipality" in the 10th, 11th and 12th lines and inserting in lieu thereof "an amount that does not exceed the amount of the surplus, and in determining the amount of the reduction of the apportionment the school board shall give consideration to the circumstances that, in the opinion of the school board, contributed to the size of the surplus."

All right.

Mr. McClellan: You may say all right, but I would like to know what that means.

Hon. Miss Stephenson: It means that when a board engenders a surplus as a result of prudent spending, there will be a return of that surplus to the board. The amount that is returned cannot exceed the total amount of the surplus engendered and, in fact, may be reduced from that total amount based upon the guidelines the Metro board's members will establish.

For example, if a board were to develop a surplus as a result of a very dramatic overestimation of the enrolment and its requests for levy were based on a highly overestimated enrolment which did not materialize, then the surplus that was engendered might not be considered a surplus that would be appropriate for total return to that board.

9:20 p.m.

If a board engendered a surplus because of a protracted dispute that had as one of its consequences a withdrawal of services by its teachers, then the amount expended by that board would not reach the amount that was levied on behalf of the board, and all of that surplus would not accrue to that board.

There are circumstances that are taken into consideration or should be taken into consideration when the determination of the amount of the surplus that should go back to the board is actually made, and it is suggested that the Metropolitan Toronto School Board, as a result of the consultation that is going on right at this time, will develop guidelines. Each of the participant boards is involved in establishing those

guidelines for the rules that will be followed in either the assessment of the surplus that should go back or the assessment of the deficit that should be charged to that board. This balances precisely the same kinds of directions that are in the subsequent section related to the apportionment of the deficit.

Mr. Chairman: Before we continue, I think I have some bad news for the minister. I am looking at other proposed amendments and it looks as if she had an amendment to subsection 6(3), because the list I have was placed in numerical order, thinking that the original amendment was actually to subsection 2, but it was subsection 4.

The committee of the whole House in its wisdom has passed subsection 6(3), and I am looking for some direction. Is that right?

Hon. Miss Stephenson: No, no.

Mr. Chairman: Am I wrong?

Hon. Miss Stephenson: If you will notice on page 4, section 6 has subsection 1; subsection 2, with three subclauses and then a clause 1b.

Mr. Chairman: Wait a minute.

Hon. Miss Stephenson: Subsection 3, which is apportionment, is listed at the bottom of page 4. At the top of page 5 is subsection 4, and you will notice that in the final lines—

Mr. Chairman: No, I am dealing with another—
Interjection.

Mr. Chairman: Where does this one come in? Wait a minute. So it becomes—well, all right. Shall we—

Hon. Miss Stephenson: Now we are thoroughly confused.

Mr. Chairman: It would appear, Madam Minister, I have a little note from some magic gnome which says that the next amendment, subsection 3, will come in on page 6 before section 7. If that is how that works, that is fine. Is that correct? Now that I review it, I think that's correct. I'm sorry.

Any further discussion on the proposed amendment to subsection 6(4) of Bill 127? Shall the subsection carry?

Mr. Grande: Mr. Chairman, believe it or not, I am still standing.

Mr. Chairman: Oh, sorry. The member for Bellwoods then.

Mr. Grande: Bellwoods? No, he is there; I am Oakwood.

Mr. Chairman: I meant Oakwood.

Mr. Grande: Mr. Chairman, basically in this amendment the minister is attempting to get rid of the Metropolitan Toronto School Board. The minister knows very well that during the committee hearings we were able to persuade the minister and the people within her ministry that this section should read as it is in the bill as it came before the Legislature—the one before the House right now. That is that particular section which you, by the way, are changing right back to the way it was in the original bill.

Hon. Miss Stephenson: No.

Mr. Grande: Of course you are. The change was that particular section which says, in the second last line of that clause in the bill, "is equal to the portion of the surplus that was raised by local taxation in the area municipality." What you are doing is amending and taking that section right out of the bill and replacing it with the original section that you had, which basically means that you flipped in the committee and are flopping right back now.

There is absolutely no way anyone in this Legislature—Tom Wells, Larry Grossman and Roy McMurtry included—can stand in this House and vote for the amendment to this particular clause, the amendment as presented by the minister tonight.

It says any board of education in Metropolitan Toronto that has a \$3-million surplus can maintain that surplus within that particular board. The point is, and the minister understood the common sense of the position that was made in the committee, that you cannot say a board should retain the \$3-million surplus it has when, in effect, the local taxation for that particular board, depending on which board it is in Metropolitan Toronto, raised only a certain percentage of that particular surplus.

I just want to read for you, Mr. Chairman, the proceedings in the committee where it says that the Honourable Miss Stephenson said: "We can most certainly say that because I'm concerned that the minimum level must be reached." She was talking about the minimum level that the school board can retain in terms of its surplus. My contention was that the minimum level should not be surpassed.

Therefore, that is why we reached the agreement that satisfies all the committee members, which is to add the phrase, "is equal to the amount that was raised at the local level." That made sense if you believed that a school board in Metro Toronto should retain the surplus. The amounts of money raised in Metropolitan Toronto by the Metro school board are such that East

York raises approximately 3.53 per cent of that share of the Metro school board; in Etobicoke, it is 14.59 per cent; in North York, 23.35 per cent; in Scarborough, 14.99 per cent; in Toronto, 39.81 per cent; and in York, 3.73 per cent.

If you were to maintain the amendment the way we decided upon, or as we reached the consensus in the committee, what in essence it would say is that the surplus that a particular board generates—and for the time being never mind how they generate the surplus—should be retained only by that percentage which was raised locally. Because the rest was not raised locally; it was raised across Metropolitan Toronto.

9:30 p.m.

If you agree that back in 1953 the Metro Toronto board was set up so that equity would be reached across Metropolitan Toronto, the principle you are putting into legislation right now in this clause denies the basic principle of equity and fairness. In essence, you are saying that no matter how much East York raises locally to contribute to the surplus, East York should retain the whole surplus.

You know that when East York came before us the director of that board, Mr. Dodds, basically said the only way they could sell—no, he did not say it, sorry.

People have said the only way the concept of Bill 127 was sold to the East York Board of Education and to the people of East York was that East York would retain the \$1-million surplus it had a year or a couple of years before.

In other words, when the minister agreed in committee to change that phrase and add the phrase "is equal to," the carrot she was dangling before the eyes of East York, York, Etobicoke or North York simply disappeared. That is why they are pressuring you to reinstate the clause as it was originally. They will have no part of Bill 127 if you do not make it profitable for them to involve themselves in it.

Basically what you are saying is, "Regardless of the equity, regardless of the fairness across Metropolitan Toronto, regardless of the *raison d'être* the Metro system was set up, we are going to say to East York, 'You maintain all the surplus.'"

What the Minister of Education should be asking those boards that have surpluses is: "Why do you have a surplus? What services did you cut back? What services are you not providing to the children"—of East York or any other Metropolitan Toronto board of education—"in order to generate a surplus? If you generate a surplus, are you doing a good job of budgeting?"

The minister knows what we have in place here is an incentive to cut back, to destroy the quality of education in Metropolitan Toronto. Yes, Mr. Chairman?

Mr. Chairman: No problem.

Mr. McClellan: The Liberals do not seem to appreciate your—

Mr. Grande: That is fine. They do not have to appreciate it. I am not here on behalf of the Liberal Party. I am speaking on behalf of the people in Metropolitan Toronto and the people in Metropolitan Toronto—

Mr. Roy: You would not make it as a Liberal, fellow.

Mr. Grande: I have no doubt in my mind I would not make it as a Liberal. Let us leave those people aside because they are aside on this issue. But the basic point against the bill—

Mr. T. P. Reid: There are really good arguments against the bill and I haven't heard one of them from you.

Mr. Grande: I return to the minister, because basically she is the one who is pushing and landing Bill 127 on Metropolitan Toronto and its area boards. If you believe in the basic fairness of the Metropolitan Toronto system—

Hon. Miss Stephenson: You don't, so why are you arguing in support of it?

Mr. Grande: Obviously the fact is we have failed in terms of the amendment. As far as we are concerned, we want this bill scrapped and you know that. Just scrap the bill and a solution will have been found. Then you can go back to enjoying the credibility within your caucus and cabinet that you had prior to the birth of this bill.

I return to the basic point of fairness. If the minister or anyone in this Legislature is going to be supporting this amendment, basically she is supporting inequity in Metropolitan Toronto; she is basically saying that if money is raised in Toronto or in North York or in Etobicoke, if East York or any other area board decides to cut back enough by firing teachers or by closing schools or by not producing and providing education programs for its children, and if it is able to have a \$2-million or \$3-million surplus, that particular board can keep all the money even though it was not raised within that particular municipality.

I would hope that the Minister of Education, as she saw the light in committee, would not allow herself to be pushed around—and I repeat my words—by a John Tolton or a Charlie Brown

in Metropolitan Toronto. She should not allow herself to be pushed around, because basically that is what they are doing to her. She cannot, as she did three weeks ago, agree to the basic equality and allow the change to take place in committee and then come here three weeks later and say, "We made a mistake, because Charlie Brown and John Tolton told me so."

I had certainly hoped that the member for Scarborough North (Mr. Wells) would be here, because I did speak to him in a private session a little while ago. He said basically that it is unfair and he would not support this change, and the Minister of Education knows he would not support this change.

Hon. Miss Stephenson: No, I do not.

Mr. Grande: Maybe if the member for Scarborough North comes into this Legislature tonight and gets up to speak on that amendment he will tell the minister himself what he feels about it.

I am sure other members of my caucus will participate in this debate, although sometimes I wonder whether Liberal members will participate, but I am positive that no members on the opposite side will participate in the debate. With that, I hope this amendment will be defeated.

Mr. Bradley: Mr. Chairman, speaking in opposition to this amendment by the minister, I would remind the minister that in committee—

Mr. Martel: Where is Patrick?

Mr. Van Horne: Are you his keeper?

Mr. Martel: He was supporting the amendment before he left.

Mr. Ruston: He was not.

Mr. Chairman: The member for St. Catharines has the floor.

Mr. Bradley: You know, the tune sure changes when some people are in the gallery, doesn't it? This afternoon it was nice and quiet; things were running smoothly. As soon as there are people in the gallery, you have to outdo us.

The minister has disappeared. Speaking in opposition to this amendment, as we did in committee, as those who were in committee will recall, one of the few areas, as the member for Oakwood has aptly pointed out, where we in the opposition were able to extract what I felt was a reasonable compromise from the government, one of the very few areas where we could get any kind of support from the Conservative members on the committee—and that was because of the acquiescence of the Minister of

Education, partially on the advice of some of her advisers—was on this particular point.

This particular argument was put forward very well at that time by the member for Oakwood. The minister gave it some consideration. She hesitated; she consulted with her officials. There was some consultation with the parliamentary assistant to the minister, and ultimately there appeared to be some sense of agreement at long last on one aspect of the bill. I must say it was the only area where we felt there was any progress made, although later on in the bill we felt that there might have been a little bit of movement made in the direction of the mills, two mills as opposed to one and half, or at least some compromise on the part of the minister that we will discuss later on. That turned out to be what we term a sleight of hand, but this was not. This was one area where there was relative unanimity.

9:40 p.m.

The argument is made, I think very justifiably, that when there is a surplus accruing to one of the boards of education, the surplus going back to that board should be only that which is raised within that municipality, so that other boards of education or other municipalities and the ratepayers in those municipalities are not forced to contribute to a surplus which is accumulated and of course looks very good to some people, at least on the books of one particular board.

I suppose the example of East York, for instance, which is the prime example because of the figures used, indicates that a board could actually come out well ahead in these circumstances, deriving funds coming from other boards of education contributing to that surplus. Certainly with dollars as tight as they are at the municipal level at this time, that would be an unfair circumstance.

That is why the original wording that we see, not the very original wording but the wording that comes before this House that the minister now wants to amend, "an amount that in the opinion of the school board is equal to the portion of the surplus that was raised by local taxation in the area municipality," is far superior to what the minister is suggesting in her amendment.

I think it has been aptly pointed out that when some people accumulate surpluses it is not necessarily because of the efficiency of that board of education. It is often because there are corners cut, which effectively reduces the quality of education available to the students within

a board of education. The minister is well aware of this. She smiles, but she is well aware this does happen.

Hon. Miss Stephenson: Where?

Mr. Bradley: In Metropolitan Toronto, and in any board you want to name across Ontario. Surplus can be accumulated because people are cutting corners, not providing the kind of quality education that might otherwise be provided.

The minister provides for us an amendment that would undo that which was ultimately agreed to by members of the committee. The question must be asked: If it was acceptable to the minister at that time, and to the officials who advised her throughout these proceedings dealing with this bill on a clause-by-clause basis, if it was satisfactory at that time to those officials and to the minister, and apparently to the Conservative members of the committee and most certainly to the two opposition parties and their membership on the committee, why then is it suddenly no longer acceptable to the minister? Why is it that when we get into committee of the whole House the minister wants to advance another amendment?

She announced back in committee that she was going to do it. In fact, that is one of the reasons we are dealing with this in committee of the whole. We will come back into the House with an announcement later on, after she has reconsidered her position. Some might speculate that she had received some telephone calls from certain members of certain boards of education, particularly the chairmen of those boards. I can only speculate as to that. She might well have received representations in the form of letters, or may have had personal meetings with those people where they brought to her attention their concern about the fact that one of the attractions in this piece of legislation, this particular provision, is removed by the change in wording that took place in the committee.

This wording is far superior to what the minister is proposing. Every time the opposition or those people in the general public who have expressed concern about this bill get some flicker of hope that the minister might be relenting on one small aspect of the legislation—and sometimes it can be a significant amendment, as I think this amendment that she accepted back in committee was a significant amendment—every time those of us who are opposed to the bill get the feeling that somehow she is going to relent in at least one small area, the door is slammed shut again.

This is a prime example this evening. The other, as I indicated, was the sleight of hand she engaged in later on in the bill regarding the amount of money which can be applied for the hiring of teachers.

The minister seemed to relent on that. There were great headlines—I fail to see how she can generate those headlines; I almost admire her for it—which indicated that she had made a great compromise. But on reading the story below, one discovers that the compromise in that part of the legislation was not a real compromise at all because of the little rider attached to it.

I recall looking at it in the committee and praising the minister for it. But as we went along in the discussion of that aspect of the legislation, I found in the event that she really had not made a substantial change as to the dollars that would be available.

Certainly, we cannot support the amendment which, in effect, changes in mid-stream the minds of the government, of the Minister of Education and of the Ministry of Education. After showing a flicker of progressiveness, the minister slams the door shut and says: "Well, you know, we tried to compromise. We thought about it for a moment." Now, because of obvious pressure that that received from people who are opposed to that change, she wants to change her mind again and zap the opponents of the bill.

Hon. Miss Stephenson: What kind of pressure have you been under, James?

Mr. Bradley: I am not under any pressure at all. Over here we are on the side of good. The minister should recognize that.

Mr. Roy: There is always free choice in this party.

Mr. Boudria: We are the good guys, Bette.

Mr. Bradley: I am not subject to the same kind of pressure that the minister obviously has received from members of her own government, particularly those who represent the downtown Toronto ridings and who, unfortunately, could not make it to the committee hearings when the people came forward with their views on matters such as those which are touched upon in this particular section. I submit that those members were not there because they would have been embarrassed that the minister was not prepared to relent or to compromise or to adjust the legislation. I would suggest that at least some of them would be in favour of the withdrawal of this particular bill.

If I allow my imagination to wander for a moment, I can imagine the debates that must take place in caucus when those people on the side of the minister, who are feeling the pressure, including people in the cabinet, speak to the minister about this.

The chairman has reminded me that I should be addressing myself to the specific amendment. The chairman has been fair throughout these proceedings—

Mr. Roy: So far.

Mr. Bradley: —so far, at least, so I will address myself to that. I will simply say that we in this party, as we indicated during the committee hearings, will take the same position we did at that time: the wording we see in the bill at the present time is adequate; it is much superior to the wording the minister has provided in her amendment. Therefore, we will be voting against that amendment.

Mr. McClellan: Mr. Chairman, I appreciated the remarks of the member for St. Catharines. I was not able to distinguish his argument from the argument made by my friend the member for Oakwood five minutes earlier which produced a howl of outrage from members in the Liberal Party.

Mr. Cunningham: It was not the same argument.

Mr. McClellan: Why don't you get your act together, comrades?

Mr. Cunningham: If you had been in committee, periodically, you would know the difference.

Mr. McClellan: Mr. Chairman, they should go to their caucus and work out their differences of opinion in secret instead of washing their laundry in public here in the Legislature.

Mr. Ruston: You are the only one who needs washing.

Mr. McClellan: Unlike his colleagues, at least their Education critic understands what the minister is trying to do in this amendment.

Mr. Cunningham: Why don't you drop in some time?

Mr. McClellan: I know what the minister is doing. She is offering a further incentive to school boards in Metro Toronto to run surpluses by cutting back. That is what she is doing in this amendment.

Sequentially, the minister brings forward amendments that are even worse than the original Bill 127. I do not know what kind of advice the minister is getting. Does she have, locked in a closet, a demon of some kind to

consult regularly as to how this bill can be made even more odious than it already is?

9:50 p.m.

What the minister has done is change the apportionment formula so the borough boards will have even more of an incentive to accumulate a surplus. Those who accumulate the biggest surplus will be rewarded most handsomely by being able to keep the largest portion of that surplus.

There is only one way to accumulate a surplus. It is illegal to plan for a surplus; the minister knows that. It is against the law in Ontario to plan for a surplus. No school board can sit down and plan for a surplus; there is only one way to get a surplus, and that is, to cut back, to constrain, to restrain, to eliminate, to be a scrooge.

The minister asked for some examples. I will just cite one area: Scarborough, if she would like an example. I used to be the area planning consultant for the Scarborough Social Planning Council at a time when her colleague the Provincial Secretary for Social Development (Mrs. Birch) was also on the Scarborough Social Planning Council.

One of the critical problems in that borough was the lack of educational opportunity for children in the southern part of the borough, particularly for immigrant kids. That showed up in the tremendously high failure rate of grade 8 students in Scarborough borough schools.

How does the borough of Scarborough address the plight of immigrant kids in its jurisdiction, or of any innercity kid in the south end of the borough? I will tell you how, Mr. Chairman. In 1975, the borough of Scarborough ran a surplus of \$1.3 million; in 1976, they had a modest deficit; in 1977, they had a surplus of \$500,000; in 1978, a surplus of \$4.3 million; in 1979, a surplus of \$3.18 million; in 1980, a surplus of \$1.63 million; in 1981, a surplus of \$2.045 million.

This is a borough which has its share of immigrant kids who need extra services; its share of innercity kids who need additional services. What does the Scarborough Board of Education do? It accumulates whopping big surpluses. It accumulates them at the expense of additional programs, of special education programs. I suppose Scarborough does not even offer heritage language programs.

Hon. Miss Stephenson: That is not in this funding mechanism and the member knows it.

Mr. McClellan: I believe 20 per cent of it is. It is simply indicative of a rotten attitude that the minister is encouraging with Bill 127. Every time she gives an incentive to school boards to ignore disadvantaged children; every time she brings in another amendment to this rotten piece of legislation to make it even worse—

Mr. J. M. Johnson: Don't get excited.

Mr. McClellan: That is what is happening, my friend. Those are my constituents she is going after. So if I get a little mad, Mr. Chairman, the member will just have to understand it, the way he gets angry when people go after his constituents. That was what I was sent here to do, to represent them.

Mr. J. M. Johnson: You are hysterical.

Mr. McClellan: I am not hysterical at all, sir. I am angry and there is a big difference.

Mr. J. M. Johnson: I am not sure.

Mr. McClellan: I think there is a difference, if he does not understand it. I have heard him get mad on behalf of his constituents.

Mr. Philip: No, you haven't. You have to be alive to do that.

The Deputy Chairman: We are dealing with an amendment and the member for Bellwoods has the floor.

Mr. McClellan: The minister asked for an example and I have given an example. There is nothing to be proud of in a borough that systematically ignores its disadvantaged children by accumulating big surpluses. There is nothing to be proud of in an amendment to this bill which simply reinforces that tendency by giving a reward to boards, like the Scarborough board, that treat their children in that way.

Those of us in the city of Toronto who have fought for the last 15 years to try to make sure we have a local board of education that has a different attitude, now find ourselves confronted with this piece of legislation that promises to strip all of the powers of our local board to redress the imbalances of educational opportunity. This amendment simply makes that situation worse.

Mr. Cunningham: Initially, Mr. Chairman, I would like to put on the record that I regret that most of the Conservative members who attended the committee hearings are not here tonight. I find that regrettable in two ways: primarily, because they cannot add the expertise they have obtained through the course of the very long and arduous committee hearings and, more appropriately, because we will not be favoured

with some quasi-Metro perspective, at least from the government side, on the efficacy of this bill.

I have developed, as a result of this amendment, a more cynical assessment of this bill than I had in the past. I am inclined to think that the minister has reached the stage where she feels that if she is going to endure the all-time, continuing disrespect of the thinking educational community in this metropolitan municipality, she might as well go for broke; and this is it.

I feel this section strikes at the fundamental heart of the legislation, and of local autonomy for that matter. God knows we would like to report to our constituents that we have brought in a surplus, that we will be in a position where we will not have to raise taxes, that we have managed our funds wisely and well. But we are abusing them if we think for one 10th of one second that by cutting back and reducing fundamental expenditures today in very necessary areas we are, in fact, saving money. Those very trustees who come back—usually, I must say somewhat cynically, immediately before an election— and say, “For this last year, we are reporting a surplus,” have to reflect on whom that surplus is being exacted from.

My submission is that in many situations, particularly in Metro Toronto, those surpluses are being exacted from people who need those programs. Mr. Chairman, had you been in a position to attend committee, you would know very clearly that in Metro Toronto there is a myriad of people who need English as a second language, English as a second dialect, and many more special programs. Some of these programs may be unique to individual boards and may not be able to be accommodated by way of this section in this legislation.

I must confess, frankly, that I have a preoccupation with fiscal responsibility, but it is not at the expense of fair play, common sense and equity. My concern with this item of legislation is that it undermines, in my view, which I express very humbly to you, Mr. Chairman, the opportunities for people in need in their individual areas and districts in this metropolitan area. It undermines their ability to obtain the services they require in the context of obtaining proper education.

Interjection.

Mr. Cunningham: The minister is interjecting something at variance, I suppose, with my opinion, as she is inclined to do with other members of the Legislature. Frankly, I find that

regrettable. I find her interjection to be at variance with the overwhelming majority of opinions that were expressed to us during the course of the committee hearings.

I must admit that periodically members of my party and even, occasionally, the members of the New Democratic Party possibly are wrong, but I find it is really inconceivable that we would be wrong in this instance when we have heard from more than 150 groups who provided a plethora of written presentations, most of which, I must say, were not politically motivated one way or the other, that expressed their very real concerns about this bill in general and the apportionment section of the bill specifically.

10 p.m.

I think this whole idea is wrong-headed. I reflect back on my studies when I was a student at the University of Western Ontario, not that long ago. I want to tell the minister while she shakes her head—I can hear her shaking her head—

Hon. Miss Stephenson: I was not shaking my head.

Mr. Cunningham: I could hear her shaking her head.

Hon. Miss Stephenson: I am sorry. My brain doesn't rattle like yours.

Mr. Cunningham: Well, I am sorry, I could hear it.

One of the first courses they taught us was the difference between “cheap smart” and “cheap stupid.” This section of the bill and this bill in its entirety are cheap stupid.

We will have to redress the inadequacies of underfunding, inadequate funding and, if I could characterize it, chauvinistic funding, particularly before elections. We will have to redress those inadequacies long after this bill is reality.

We will have to endeavour to deal with people who have not been given a fair shake in our educational system, people who have not been properly trained, people who have not had their learning disabilities properly diagnosed and people who have not been able to accommodate themselves to a mainstream of educational thought as a result of inadequacies in our current process.

If the minister thinks for one tenth of one second that saving money in these individual boroughs will accommodate some progress, I want to say as clearly as I can that she is very seriously wrong. She reminds me clearly of that analogy offered to me in my early days at the

University of Western Ontario, the doctrine of "cheap smart" and "cheap stupid."

In the current economic milieu, it reminds me of the idea of fly now, pay later, because we are cheating. We are cheating students who are not even enrolled in the secondary program, students who are hardly even advanced in the primary program. We are cheating those students and we are doing it today.

The minister may sit there and proffer some contrary point of view. That is the minister's right. But I want to say as clearly as I possibly can this evening that I have never, during the course of our committee hearings or our debate in this Legislature, indulged in any kind of personal activity with the minister because, notwithstanding my severe disagreement with her on the efficacy of this section of the bill and on the propriety of the bill itself, I have no personal quarrel with her.

Normally, I happened to have been of the point of view that, as a fellow member of the Legislature, her interests were based primarily on behalf of the students. I must say that for the first time in a long time, she has caused me to waiver in my thinking. It had nothing to do with Maggie Siggins's article at all.

Mr. McClellan: You are more patient than we are.

Mr. Cunningham: I guess I am. The member for Bellwoods interjects. I have a great regard for his feeling in this regard in so far as he is a member representing this area. He is a member representing a metropolitan constituency, as it should be. I am only the representative of Wentworth North.

I must admit as I have previously—Mr. Chairman, I know you will indulge me, because we discussed it very briefly on section 1 of the bill—that many of us from outside Metro had no idea of the technical niceties that relate to the operation of the delivery of educational services in the largest school board in Canada. Many of us did not have an idea.

The minister may look at us and say, "That may be your problem on the opposite side." I want to suggest that the presence of only five members of the government party here tonight, only two of whom had taken the time to attend our committee meetings in general and most of whom I think are very sincere albeit they do not represent Metro Toronto, speaks more clearly to my concern about this than anything else.

Frankly, I find it abhorrent that tonight there are literally no Metro Toronto members here.

Mr. Philip: Just on that side, though.

Mr. Cunningham: On the opposite side, of course. I understand very clearly the political niceties that are associated with that more than anything else on the opposite side. Well, I happen to be here and our members have been here, and I want to say regardless of—

The Deputy Chairman: The honourable member should be dealing with the amendment that is before us.

Mr. Cunningham: I am sure you will tolerate my response to the minister's objection, Mr. Chairman, because you have a passing acquaintance with fair play.

The Deputy Chairman: You are getting off topic. Please get back on topic.

Mr. Cunningham: I will only say that it does not matter where we happen to live here. I live in Waterdown; I think I demonstrate a far greater concern than the member for St. George (Ms. Fish), the member for St. Andrew-St. Patrick (Mr. Grossman) or a plethora of other members, some of whom are in the cabinet, who have not had the integrity of purpose to stand on their own two feet and express their point of view on this subject. So I need not be challenged with regard to where I live or where some of the members from my party happen to live.

The Deputy Chairman: Speaking to the amendment.

Mr. Cunningham: Mr. Chairman, this section of the bill and this amendment strike at the very heart of what the bill is all about: apportionment, the ability of the local areas to determine just what is going to be the order of the day for the constituents they represent. Those constituents for the most part do not have a vote in the political process. We are their trustees.

I want to say tonight as clearly as I can, because it may be my last occasion to do this, although I sense that we may debate this until some time next year—it would be my wish that we would do so until the minister changes her mind or until the cabinet changes her mind—that we are discussing the fundamental democratic process.

I may be at some slight philosophic difference with my colleagues to the left, but I think our purpose is the same, and that is a good, equitable, commonsense formula for funding in Metro Toronto.

I do not really think we can characterize the past six, eight or 10 years as having been some form of financial disaster. Were that the case, I would ask that the minister take to her cabinet colleagues the issue of regional government in

the region of Hamilton-Wentworth, and in several other regions for that matter, because the operation of those regions is far more inequitable than the dispensation of funds for the purpose of education in Metro Toronto.

But here we have what I would regard, and I do not want to characterize it unfairly, as a major response to a situation in which the minister may for one reason or another have some political variance.

I want to say again as clearly as I can that I think this amendment is mean-minded, wrong-headed and ill-conceived. And while I attribute no political motive to the minister, it is obvious to me, as one who has attended the general debate in this forum previously, the clause-by-clause discussion in committee on a very regular basis—I think I missed one or two—and sessions hereafter, that the government has prepared itself, because it has accepted the political abuse that it already has endured, to go whole hog on this.

Frankly, I think they are making a very serious mistake. I do not know what the logic is in this current apportionment formula. I do not know what the logic is in creating and legislating the division that I anticipate they are going to obtain from each and every board in the near future. I just think they are setting this whole process back, not only by way of the amendment but also by way of the legislation in general. I think they are setting this whole process back possibly a decade.

The minister may endure with this puzzled look she has, but as one who attended the committee hearings I just think this is at variance with the suggestions that were made by a myriad of people who made their presentations to us, as I have said: people who have written their presentations out in longhand on kitchen tables. They represent no particular political party.

I remind her of the contribution made by Mr. Rogers of cable TV fame, representing some—

Hon. Miss Stephenson: It wasn't Ted Rogers.

Mr. Cunningham: I did not say it was Ted Rogers but he is of the same family, I am advised. He was speaking about the John Ross Robertson school in the Attorney General's (Mr. McMurtry) constituency. His presentation is indelible. In fact, it is not a surprise to me that they would select somebody as well advised as Mr. Rogers to make his presentation to us.

10:10 p.m.

Regardless of where we were in Metro Toronto, we had well-documented presentations made to us indicating that this whole bill was ill-advised. The apportionment section strikes at the very heart of the bill. Today in committee, and I say this with no malice because I have no malice towards her, the minister has chosen through this amendment to further exacerbate that situation. Frankly, I think it does not in any way contribute to the process and only adds to what is a very poor piece of legislation.

Mr. Grande: Mr. Chairman, I would like to put on the record the exact words as they were spoken. I will not talk about the whole debate on October 13, 1982, on this amendment specifically. But I think it will be very instructive for us to know that so we can assess the flip-flop that has occurred on the government side on this amendment.

I am reading from the Hansard report of the meeting of the standing committee on general government, Wednesday, October 13, 1982, the morning sitting. After the debate, I suggested:

"Mr. Grande: No more than. If I may, Mr. Chairman, let me give the minister an example. Let us say that one board in Metropolitan Toronto has a surplus of \$1 million. Now that particular board, let us say for the sake of argument, happens to be the borough of York. In the borough of York the amounts of money that were raised locally to that particular surplus is a fraction of that \$1 million. Let us say for the sake of argument it is \$200,000. The amendment I have"—which basically was changing it no more than that which was raised locally—"says that in the case of that particular board no more than \$200,000 should be kept.

"Hon. Miss Stephenson: But how do you say in that circumstance that it has to receive \$200,000 as well?

"Mr. Bradley: 'Not more than.'

"Hon. Miss Stephenson: But that does not say that there is a minimum.

"Mr. Grande: No more than that which was raised locally according to the percentage by which that local is determined.

"Hon. Miss Stephenson: What we are trying to say is that the amount which was raised by the local taxation must be transferred back to that board.

"Mr. Bradley: Can you not somehow word it so that both could be accommodated?

"Mr. Dean: I thought I understood this when I read it over at other times, but something is bothering me now because of the question raised by the member for Oakwood. His amend-

ment basically says it shall not be more than the amount; the proposal by the government is it not be less than the amount. Why is it not exactly equal to the portion that is raised locally? I find that rattles around my head. I cannot see why. My simple explanation is if there was a \$1,000 surplus and board X raised 20 per cent of it or \$200, why do they not get the \$200 back, not \$199, not \$201?

"Hon. Miss Stephenson: We could most certainly say that because I am concerned that the minimum level must be reached.

"Mr. Dean: And the member for Oakwood is concerned that a maximum level must be reached."

Then the chairman corrected Mr. Dean by saying that the minimum level should not be surpassed.

"Mr. Wildman: If the government is prepared to say that, we could accept that as a friendly amendment.

"Mr. Dean: We have that amendment in. Do you want to amend the amendment or withdraw that amendment on the understanding that we will change it to say, 'will be equal to the amount of the surplus'?"

"Hon. Miss Stephenson: 'Is equal to the portion of the surplus that was raised by local taxation in the area municipality.'

"Mr. Dean: If the member for Oakwood would withdraw his amendment, I would be prepared to move that one.

"Mr. Chairman: As part of your original amendment? Would it not be simpler, now that we have passed your amendment, to deal with this 'is equal to'?"

"Mr. Grande: If the minister accepts the wording 'is equal to,' it seems to me to drive at the heart of what I am talking about.

"Hon. Miss Stephenson: If we amend that portion that has already been amended by the change of the wording in the last three lines, 'has jurisdiction by an amount that, in the opinion of the school board, is equal to the portion of the surplus that was raised by local taxation in the area municipality.'

"Mr. Grande: I am satisfied that deals with the concern in the argument I have presented.

"Mr. Chairman: Procedurally, yes. Let's move a motion.

"Mr. Grande: I will move the amendment.

"Mr. Chairman: Mr. Grande moves that the second last line of section 6(2)(4) of the bill be amended by deleting the words 'is not less than' and substituting therefor the words 'is equal to.'

"Motion agreed to."

Mr. Chairman, my case is closed. The Minister of Education agreed in committee to this amendment and now she is backtracking; in doing so, she is destroying equity and fairness in Metropolitan Toronto.

Ms. Bryden: Mr. Chairman, I noticed this evening that there are more than the usual number of people in the gallery, and I think it indicates the interest in this bill.

Hon. Miss Stephenson: Yes, your members noticed it too. We had a lot of grandstanding tonight.

Ms. Bryden: It also indicates that the people who are here are particularly interested in the question of deficits and surpluses, which is the subject we are dealing with in this amendment.

I noticed that the minister, in her famous speech on Bill 127, which was reprinted at government expense, said, "The proposed surplus and deficit provision in Bill 127 will enhance local autonomy by making local boards more accountable to their taxpayers."

The many changes made in this particular section, it seems to me, will make the various boards accountable to the Metro board under the latest amendment. But I think the history of those changes indicates to the people in the gallery that the minister is insensitive to the recommendations of all the deputants who appeared to talk about deficits and surpluses and to the three-party committee system.

As my colleague has just pointed out, the original section was amended by the committee, apparently with the consent of all parties and presumably with the minister participating in the debate, and now we have an amendment before us that really changes the whole thing again.

We have three versions before us. We have the original bill, which says that in deciding on the apportionment it could be reduced by an amount that was not less than the amount of the surplus generated by local taxation. But there was no ceiling on the amount it could be reduced by; in other words, you could take off the entire amount generated by local taxation and then the Metro board could take off any additional amount it wanted.

It seems to me this left great discretion to the Metro board to reward the people who were creating surpluses by not providing the same services as other boards were—by not providing as much special education, by not providing the maintenance of heritage languages or English as a second language at the same level as other

schools, by not providing special services for immigrant children.

10:20 p.m.

It seems to me that under the first version there was an incentive to the Metro board to give bigger surpluses or to decide how much of the additional surplus should be deducted. Then we get version two in the amendment that came out of the all-party committee. It said the amount that can be deducted should not be more than the surplus generated by local taxation. That seems fair enough, but none of the general surpluses caused by underspending in the various borough boards would be allowed as a deduction from the apportionment.

Tonight we find a new version where the minister is really reinstating what might be called the payoff to the boroughs which are supporting this legislation. The four that appeared before the committee with equal endorsement for the bill will now be in a position where the Metro board can reward them under the minister's amendment.

The new amendment says the Metro board has the discretion to determine the amount of the reduction in the apportionment. It can be an amount that does not exceed the amount of the surplus, but in determining the amount of the reduction the school board shall give consideration to the circumstances that contributed to the size of the surplus.

In other words, it does not tie the amount the Metro board can give to the amount raised by local taxation. It is entirely up to the Metro school board to determine how the surplus arose. Then it can reward those boards it wishes to reward by giving them a large amount if they have been dutifully keeping expenditures down to a minimum as the Metro board seems to think is the way to operate an education system, rather than to see what is needed for quality education and to serve the needs of the students and the whole education system.

It seems to me this is a strong indication the minister is insensitive to the needs of the different areas and is allowing an incentive for boards to cut back. It is an incentive that may even lead to school closings because if one closes schools and saves money that way, even though the local neighbourhood would be better off with those schools being maintained and even where there is some declining enrolment, we have to look at the value of a neighbourhood school to a neighbourhood.

Even with smaller enrolments, it can become a community facility, can be the lighted school

at night and can serve a lot of things besides daytime pupils. If there is this incentive to close schools and end up with a large surplus, the members of the area boards can show the taxpayers they are able to reduce the mill rate for educational purposes and presumably hope to get the support of people who feel the tax dollar is the most important consideration, people who are perhaps not as aware of what quality education costs, not aware that a borough may be giving a much lower standard of services than other boroughs, and not aware of the effect of cutbacks in services.

We know there are tremendous waiting lists in many of the boroughs for special education. We know there is a target that special education must be available to every student in Metropolitan Toronto, or in Ontario, who needs it.

If we already have huge waiting lists for special education, and if we have this kind of incentive for boards to be able to cut taxes and get back surpluses by delaying the provision of special education, then the buildup that is necessary to provide that service by 1985 will not be undertaken.

The teachers who will be needed will not be introduced into the system at the graduated rate which will result in the full service by 1985. Instead, the whole thing will be seriously delayed until that 1985 year looms and then all of a sudden boards of education will discover that they have to treble and quadruple what they are spending, and they will not be able to find the trained people for that kind of sudden spurt.

What is even worse is that many children in need of special education in the boroughs that have been showing surpluses will be on waiting lists. A waiting list for special education really means that perhaps your whole life may be affected by a delay in the kind of special services you may need. That delay can mean all sorts of problems in the future for those individuals and for society as a whole.

The minister's boast that the deficit and surplus provisions in the bill will increase local autonomy is a completely false statement, because the autonomy to do what they want will be offset by the incentive to generate a large surplus and to get it back in tax cuts. The boards can then play each other off as to which one is saving its taxpayers the most money. I would hate to see this become an election issue in the next municipal election and to have school boards go around boasting that they had succeeded in obtaining the largest surplus as an offset to their apportionment for their particular area.

Mr. Grande: It has become an election issue and the Tories were defeated.

Ms. Bryden: My colleague is right. In the recent elections it was indicated that Bill 127 and all its provisions was rejected very strongly, particularly in the city of Toronto.

Hon. Miss Stephenson: Oh no, you're wrong.

Hon. Mr. Wells: Not in the member's riding. In the Beaches riding there were Tories elected.

Mr. Grande: Tom, you disagree with the section and you know it.

The Deputy Chairman: Order.

Hon. Mr. Wells: This section is all right. It's fine.

The Deputy Chairman: With these interruptions, the member for Beaches-Woodbine might

be well advised to move the adjournment of the debate.

Mr. Cassidy: She wants to move adjournment.

Ms. Bryden: I will adjourn—

The Deputy Chairman: Oh, you don't have to move adjournment. If you would like to terminate your remarks, we will move to rise and report.

Ms. Bryden: I wish to continue my remarks at the next sitting.

The Deputy Chairman: At your convenience.

On motion by Hon. Mr. Wells, the committee of the whole House reported progress.

The House adjourned at 10:30 p.m.

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Ontario, LEGISLATIVE ASSEMBLY

No. 146

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Official Report (Hansard)



Second Session, Thirty-Second Parliament

Thursday, November 18, 1982

Afternoon Sitting

Speaker: Honourable John M. Turner

Clerk: Roderick Lewis, QC

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LEGISLATURE OF ONTARIO

Thursday, November 18, 1982

The House met at 2 p.m.

Prayers.

DEATH OF ROBERT ANDRAS

Mr. Foulds: Mr. Speaker, I would like to take a moment to pay a few words of tribute to a federal parliamentarian, former cabinet minister and friend of mine, Bob Andras, who died yesterday. Those of us who knew Bob Andras will be deeply saddened by his death. He had earned a full and rich retirement, and it has unfortunately been cut cruelly short.

Bob Andras not only displayed competence and hard work at the federal level, he also demonstrated a constant and deep concern for his constituency without becoming parochial. He capably showed that decency and hard work not only are admirable personal characteristics but can also be formidable political assets.

Bob Andras and I shared the same constituency, he at the federal level and I at the provincial level, for eight years. Although we were political opponents, I am sure it is fair to say that we were friends. It is the personal side of the man that I will always remember: the man who hugely enjoyed himself at banquets at the Italian hall, the man who always returned to Thunder Bay for Remembrance Day services in spite of heavy ministerial duties, the man who was the first to open a full-time constituency office in the riding, the man who always had time to inquire about one's family and mean it.

Often called low-profile, many people did not understand just how fiercely he fought internally, privately and effectively for those things that he felt deeply about and believed in. Decent, hard-working, effective and caring—not bad words to describe a politician, excellent words to describe Bob Andras. We in Thunder Bay will miss him deeply. Canada will miss his kind of public service.

Mr. Nixon: Mr. Speaker, on behalf of my colleagues, I want to join with the honourable member who has just spoken in expressing our sorrow at the death of the Honourable Bob Andras.

I must tell you, sir, that in my previous incarnation as leader of the party I visited his own community sometimes with spectacular

lack of success, but I always found that Bob was a good host and interested in politics on the broad basis. All of us, as members of provincial parties, know that sometimes our federal colleagues do not completely share this interest in provincial affairs. It is a small point but it indicates the breadth of Mr. Andras's generosity.

I suppose everything has already been said about his penchant for hard work and dedication to public service. Some of us occasionally detected a conservative aspect to his political philosophy but, frankly, I found some of those aspects somewhat attractive myself.

Mr. Andras will be missed not only in his own community but right across Canada. We want to join with other members in the House in extending our condolences to his family.

Hon. Mr. Bernier: Mr. Speaker, those of us on this side of the House would certainly want to join with the member for Port Arthur and the member for Brant-Oxford-Norfolk in expressing our sympathy to the family of the late Bob Andras.

Bob Andras, as the member for Port Arthur has pointed out, was a true northerner. I think it is fair to say that he put his constituency, his province and his country ahead of party politics. Bob, to those of us who live in northern Ontario, was one of us. He did not play party politics. In fact, when he went into politics he did not know what party he really belonged with, but he represented that particular area extremely well.

He looked after not only the needs of the Thunder Bay area but, indeed, the needs of all of northern Ontario. He was that kind of a man with sincerity, dedication and ability, and those of us who come from northern Ontario were really appreciative of the contributions he made to our area. He will be missed. We are indeed proud that he was a northerner and we extend our sympathy to his family.

METROPOLITAN TORONTO POLICE PRACTICES

Mr. Roy: On a point of privilege, Mr. Speaker: You will recall on November 9 last that my colleagues and I attempted to elicit from the Attorney General (Mr. McMurtry) some explanation of his conduct in the Proverbs matter.

The trial is now over. At that time, Mr. Speaker, you ruled that we could not discuss the topic because it was, in your opinion, sub judice under the standing orders. At that time, as you will recall, the Attorney General made the following comment:

"To assist you, Mr. Speaker, this trial, hopefully, will end in the not too distant future. I will welcome a frank exchange with the member for Ottawa East, the leader of the Liberal Party and any other member of the assembly with respect to any comment I have made about this matter."

2:10 p.m.

This is a very serious matter indeed, and I would like the Premier (Mr. Davis) or the House leader to advise us why the Attorney General is not here at the first available opportunity to give us a full statement on the outcome of the Proverbs matter and what steps he is going to take, and to give us some explanation—and, if necessary, an apology—for his conduct in this whole sorry development.

Hon. Mr. Davis: Mr. Speaker, I do not really think the Attorney General proposes to make an apology. I should forewarn the honourable member—

Interjection.

Hon. Mr. Davis: I can tell the honourable member the Attorney General is at Queen's University even as we are here. He told me to inform the members of the House that he has—

Interjections.

Hon. Mr. Davis: No, I don't know. He may be taking a refresher course. My guess is he is talking to the Queen's law students this afternoon. He has ordered a transcript of the trial and indicated that, after a very fair and careful study of the transcript, he may have some observations to make to the House. I am not as aware of exactly what has transpired—I go only by the newspaper reports—but I think the Attorney General and perhaps the member for Ottawa East might feel somewhat constrained pursuing some of the discussions in this House, in that I gather the person in question has indicated he is going to appeal.

Mr. Nixon: On a point of order, Mr. Speaker: Is the Premier indicating by his last few remarks that because the person in question has indicated he might appeal, the matter is sub judice as far as we are concerned and we should not pursue it? Surely he would not have the temerity to make such a suggestion.

Hon. Mr. Davis: I would have the temerity to make several suggestions. I just made the observation that I understand from press reports that the gentleman in question is contemplating an appeal. I will leave it to the member's legal advisers, because I am not going venture a legal opinion, to say whether, if an appeal is launched, members might have to be somewhat discreet in what they say.

[Later]

Mr. Renwick: On a point of personal privilege, Mr. Speaker: I submit to you that my privileges, indeed, perhaps the privileges of other members of the assembly, were infringed by what transpired in an exchange between the Leader of the Opposition (Mr. Peterson) and the Premier of the province on November 8 with respect to the Proverbs matter.

On the following day, because you, sir, had not invoked the rules of the House, a further deterioration took place in an exchange during the course of the debate on the very question I wanted to avoid, again an exchange between the Leader of the Opposition and the Attorney General of the province.

By the failure of the Leader of the Opposition, the Premier of the province, the Attorney General of the province, and the member for Ottawa East to observe the sub judice rule, my privileges and, indeed, the privileges of other members of the House were breached simply because the sub judice rule, so far as it is a rule of debate in this House with respect to criminal trials, should be observed properly.

All that deterioration in exchange took place because of a statement made by the Attorney General outside the House on Thursday, November 4. Mr. Speaker, I ask you to hold that my privileges have been breached and to call upon the Attorney General, who precipitated this matter, and the Leader of the Opposition, the Premier and the member for Ottawa East to withdraw their remarks, and for the Attorney General either to explain his comment outside the House, withdraw it or apologize for it.

I make the subsidiary point in case I have not communicated my privilege clearly. I have no privilege with respect to what any member of this House says outside, but I have a privilege with respect to the ramifications of those exchanges and the deterioration of those exchanges in breach of one of the fundamental rules of debate of the House.

Mr. Roy: Mr. Speaker, may I speak to the point of privilege? You will recall that on

November 9 last we had a full discussion. I pointed out certain precedents to you about the rules for sub judice and the role of the chair to be played in such rules. I pointed out at that time that your predecessor had said clearly that anyone who attempts to invoke privilege or sub judice is obligated—

Mr. Renwick: Are you challenging the ruling of the Speaker that day?

Mr. Roy: I notice the member for Riverdale is getting somewhat exercised.

Mr. Renwick: I certainly am.

Mr. Roy: I want to address the chair, but he is—

Mr. Speaker: I recognize the member for Ottawa East.

Mr. Roy: The rule and the convention stated clearly that anyone attempting to invoke the rule of sub judice is obliged to demonstrate to the satisfaction of the chair that he has reasonable grounds for fearing that prejudice might result. I say with great respect that the member for Riverdale is far from having satisfied that very heavy onus. If there has been any breach—

Mr. Renwick: Are you challenging the ruling of the chair?

Mr. Speaker: Order, please. The member for Ottawa East.

Mr. Roy: I say again, because my colleague from Riverdale may have interrupted, that he has a very heavy onus to satisfy and he has not done so. If there has been any breach of the rule of sub judice in this House or outside of this House, it is only the comments made by the Attorney General when he commented on the evidence and backgrounded the accused during the course of a jury trial.

No other statement, in my opinion, offended the rule against sub judice. This is why it is so important to have the Attorney General here to give some explanation at the first possible opportunity and to give some apology or explanation as to his conduct.

Mr. Nixon: Mr. Speaker, I want to bring to your attention that we are under your jurisdiction and rulings in this connection. I put to you that no question has been put in this House by any member and no answer has been given by any minister that you have indicated was out of order. The member for Riverdale, over my experience in the House, has repeatedly gotten up and in a rather condescending way has attempted to restrict the questions, the answers

and the debates in this House on matters of urgent public importance.

I am sure that we rely on your good judgement in these matters and you know, as do we all, that if we cannot accept your rulings we have a remedy which from time to time we have attempted to use. I would say to you that the business of the House under your jurisdiction in this matter has been in order, that we are trying to come to grips with an extremely difficult situation involving the rights and privileges of individuals and groups, and I would hope that no member, and certainly not the Speaker, would use the rules in such a restricted way that we cannot pursue the matter.

2:20 p.m.

Mr. Speaker: Thank you very much. If I may just clarify one point, and it was a remark that was made by the member for Riverdale suggesting that I had failed to invoke the standing order or rule for sub judice, I think it has been clearly and well established that it is very difficult for a Speaker to know when a matter is sub judice. The Speaker must take direction and rely on information from members in this House, most normally from a person to whom the question is directed.

In this particular case it was the member for Riverdale who raised the matter, and I thanked him at the time for bringing it to my attention. But relying on precedent and past tradition, if you will, it is very difficult if not impossible for any Speaker to know what may or may not constitute sub judice on any given matter at any given time.

Mr. Renwick: I asked, sir, if you would decide whether or not my privilege and the privileges of other members of the House had been breached. Perhaps you would take it under advisement, look at the record and advise us whether that is so.

Mr. Speaker: Yes, I am prepared to do that. Sorry; I meant to advise you of that when I was standing here. I will get back to you and all honourable members just as quickly as I can.

HEALTH CALENDAR

Mr. Rae: On a new point of privilege, Mr. Speaker: A document has come into my possession that I believe should have been made available to all members of this Legislature. It is a document which for some reason the government has not given the wide distribution I think it deserves. It is a health calendar with the name of the Minister of Health (Mr. Grossman) on the

front and on the back. It is a calendar of which I understand there are some 10,000 copies and, for purposes of information, I wish to inform you that the unit cost for each calendar is approximately \$200.

Mr. Speaker: That is not a point of privilege, although it is a rather interesting point. Thank you very much.

VISITORS

Mr. Speaker: I would ask all honourable members to join with me in welcoming a distinguished group in the Speaker's gallery consisting of legislators from the House of Representatives in the state of Minnesota. Members of the local and urban affairs committee of the state of Minnesota have been studying municipal affairs and transit issues in Ontario.

It gives me much pleasure to introduce Representative Gordon Voss, chairman of the committee, Representative Bob McEachern, Representative Bob Haukoos, Representative Gerald Knickerbocker and Representative Bill Schreiber.

EDUCATION

Mr. Bradley: Mr. Speaker, on a point of privilege: It is my understanding—and this affects all members of the Ontario Legislature—that a major announcement is to be made in the field of education this weekend. It would seem to me that if the minister is going to reveal some important changes or policy in education, she will be bringing forward a statement before the House today.

Mr. Speaker: I have to call the honourable member to order and suggest that if the minister does not have a statement, the member may wish to raise a question at the appropriate time.

STATEMENT BY THE MINISTRY

SUDBURY ENVIRONMENTAL STUDY

Hon. Mr. Norton: Mr. Speaker, today I shall be tabling for honourable members a synopsis of the Sudbury environmental study which was initiated by my ministry in 1973 in order to clarify the causal relationships between mining operations and environmental effects on the Sudbury basin.

My senior officials and I regard this study, which is really a series of 17 distinct but related studies, as being of paramount importance in enabling us to better understand environmental phenomena—not only in Sudbury, but else-

where as well—and to develop intelligent, efficient programs to control significant pollution.

Perhaps one of the most significant aspects of the study may be that it played a very key role in pointing Ontario scientists towards the need for our continuing and comprehensive study of acid precipitation.

The Sudbury basin has had environmental problems for nearly a century. Mineralized ore was discovered in the area as early as 1883. Five years later, the first smelter was constructed at Copper Cliff. Common practice in the mining industry at that time was to roast the ores in huge, outdoor fires which smouldered away for months.

Over the years, Sudbury grew and prospered. But, almost from the start of the smelting operations, there was damage to local vegetation. Everyone knew, or suspected, that it had something to do with the sulphur dioxide discharged from the smelting operations. Similar effects were emerging in other industrialized nations.

In the early 1970s, it became apparent that previous efforts to ameliorate the problem had been insufficient. New and tougher measures were needed. However, our knowledge of the problem and of possible remedial measures was inadequate.

Therefore, to test our assumptions that emissions from local smelting operations were adversely affecting the Sudbury environment and to help define appropriate collective actions, the Ontario government, through the Ministry of the Environment, initiated the Sudbury environmental study. The study focused on pollutant emissions, meteorology and the dispersion of pollutants in the air, on atmospheric chemistry, removal and deposition, effects on land and water, and remedial measures.

After eight years of research, material published in more than 80 technical papers and the expenditure of some \$4 million, we are able to draw a number of conclusions with respect to the Sudbury environment and with respect to the impact of Sudbury emissions on other areas of the province. We have learned a great deal about the impact of other sources on Sudbury as well. The extent of the impact from external sources is in itself a very significant discovery.

When our research team started out in 1973, it was generally believed that we were dealing only with a serious local environmental problem—the historic and ongoing effects of emissions from the nickel and copper smelting industry into the natural environment of the Sudbury

area. As the study proceeded, our scientists determined that while there were certainly local effects from the smelting operations in Sudbury, the evidence led to the disturbing conclusion that the real culprit behind acid precipitation was the long-range transport of air pollution from other sources.

The Sudbury study gave us an up-to-date ranking of major pollution sources in the Sudbury basin. It was a factor in developing appropriate controls on these resources. It has also indicated the need for a broader-based study to help us understand more of the chemistry of acid rain and more of its transport over long distances.

On the basis of the earlier findings which emerged from the Sudbury basin study, the Ministry of the Environment in 1979 launched the Acidic Precipitation in Ontario study. It is ongoing and in its activities Ontario quickly established itself as a world leader in research into acid rain and the long-range transport of air pollution.

Let me briefly summarize what the Sudbury basin study brought to light and confirmed. The most significant emission source in the Sudbury basin is the 381-metre or 1,250-foot stack of Inco Ltd. at Copper Cliff, which contributes 50 to 80 per cent of the area's industrial pollution from local sources. The percentage varies depending upon weather conditions.

However, Sudbury industry is responsible for only about 50 per cent of the acid fallout problem measured in the Sudbury basin emanating from both dry and wet depositions of sulphur dioxide. The other 50 per cent originates from other sources in eastern Canada and from industry in the United States.

Pollution damage to vegetation in the Sudbury area has been significantly reduced since 1970, when the Ministry of the Environment issued its first control order.

An estimated 200 sizeable lakes and 1,200 other smaller lakes and ponds of 10 hectares or less within 50 kilometres of Sudbury are now acidic and incapable of supporting fish life. Limited success has been encountered in experiments to rehabilitate damaged lakes through liming and other means. The liming technique is, however, still uncertain and the evidence as to its success in Europe is very far from conclusive.

2:30 p.m.

Ontario's five-year research program to better understand lake neutralization is continuing and the two ministries involved, that is, the Ministry of the Environment and the Ministry of

Natural Resources, are investing more than \$800,000 in the lake-liming experimentation.

I draw the attention of the honourable members to an exciting undertaking by which some of Sudbury's original natural beauty is being restored. This is the work of the Vegetation Enhancement Technical Advisory Committee, which is a consortium consisting of my ministry, the Ministry of Natural Resources, the Nickel District Conservation Authority, Cambrian College, Laurentian University, the regional municipality of Sudbury, Inco Ltd. and Falconbridge.

Since 1978, this committee has been engaged in a vigorous land reclamation project. Over the past five years, some 20,000 trees have been replanted in areas where the soil has been treated and grass has been established.

I am tabling today copies of our 120-page synopsis of the research documents. For those who may be interested in pursuing specific fields of investigation in greater or more complete detail, the 17 study volumes, comprising some 2,000 pages, will be available next week in the legislative library and at offices of my ministry, including our main library on St. Clair Avenue.

Mr. Speaker: Before proceeding with oral questions, there seem to be a lot of conversations going on, and I would ask the co-operation of all honourable members not to have private conversations in the chamber, please.

[Later]

Mr. Elston: Mr. Speaker, I rise on a point of order to invite the Minister of the Environment (Mr. Norton), who has just now left the room, to reappear before the members of the Legislature to make up for some errors in statements made with respect to his formal statement today in the House.

I note with some degree of chagrin that he decided to issue a statement in the House which indicated that an estimated 200 sizeable lakes, etc., in the Sudbury study were determined to be so acidified that they do not now support fish life. If we go to his formal press release, we find the same statement there. However, if we go to his executive summary included in the report, which I understand is to be tabled some time today, we will find that in fact it is an estimated 200 to 400 lakes. I think the minister really ought to be sure that his facts are dead on when he makes these statements.

Interjections.

Mr. Speaker: I have to call the honourable

member to order because it is not really a point of order, with all respect.

Mr. Elston: It is. I am inviting him to correct the record.

Mr. Speaker: I am sure he will take note of your invitation and look into the apparent discrepancies you have described. That is all we can do.

Mr. Elston: Mr. Speaker, I do not want to argue, but the other day when—

Mr. Speaker: I should hope not. I would ask the honourable member to resume his seat, please.

ORAL QUESTIONS

METROPOLITAN TORONTO POLICE PRACTICES

Mr. Roy: Mr. Speaker, many of us on this side are most disappointed about not having the Attorney General (Mr. McMurtry) here today. I will direct my question to the Premier.

In view of the serious allegations that have been made and commented on in the Proverbs matter, especially allegations made about a variety of people including the Premier, the Attorney General, the judges in the courts, the crown attorneys, the chiefs of police, and so on, and in view of the fact that even the chief of police of Metro Toronto has stated today that he thinks we should be reviewing the rules of conduct for police officers, does the Premier not think it is inadequate that we have the police investigating the police? I am referring to the Ontario Provincial Police looking into this matter.

Does the Premier not think the proper way to handle this matter would be to have a full, complete and independent inquiry, preferably by a Supreme Court judge?

Hon. Mr. Davis: Mr. Speaker, I have already explained that the Attorney General was at Queen's fulfilling a long-standing obligation. I think the honourable member knows the Attorney General well enough to know that, if he is here tomorrow, to the extent he can answer any of the questions related to this issue, he will be delighted to do so.

For the record, since the member for Ottawa East included the Premier in some of the "allegations," in my recollection, the reference to me probably caused my wife one of her more delightful moments at the breakfast table. Somebody had suggested that one easy way to get the Premier would be on an impaired driving charge. As she knows my habits better than most

members opposite or anyone else, she thought that was not only rather ridiculous, but almost amusing. She knows I do not drive very well and for me to drive in that condition would be a rather new departure for the Premier of Ontario.

Mr. Bradley: And your chauffeur does not drink.

Hon. Mr. Davis: I don't know whether the person who drives me takes an antibiotic on occasion. However, I just wanted to put on the record the rather ludicrous, to one who knows me, reference to the Premier. I may commit other sins, who knows.

Mr. T. P. Reid: Only in your mind.

Hon. Mr. Davis: That is probably true. I have been trying to assess it.

The Attorney General has already indicated that some aspects are under police investigation and that is my reply to the member today.

Mr. Roy: I was hoping to elicit something a bit more positive. I can understand the concern about the personal allegations, and appreciate the Premier's explanations. But does the Premier not feel, in view of the serious attack on the administration of justice, that having the police investigate the police in this matter is totally inadequate? Would he undertake to convey to the Attorney General his desire to see an independent and complete inquiry by a judge rather than by the police?

Second, can the Premier assist in giving us some explanation for what was at times irrational and inconsistent conduct of the Attorney General in this whole matter, and the fact that he has made comments during the course of the trial about evidence which could seriously prejudice the outcome of this case, not only at trial but on appeal? Can the Premier give us some explanation of this and why the Attorney General has not afforded the administration of justice some explanation as to his conduct?

More recently, even in today's paper, the Attorney General is quoted as saying that he does not plan to make any further remarks until the appeal from the conviction is completed. The article goes on to say, "Mr. McMurtry said yesterday he will 'restrain his comments. . .'" but that "such restraint isn't easy 'given some of the garbage we've heard' during the trial. . ."

Can the Premier give us some explanation as to why the Attorney General on the one hand would refuse to comment, refuse to give some explanation, and then all of a sudden would make wide-sweeping comments about the nature

of the evidence, the background of the accused and so on?

Hon. Mr. Davis: I find some modest contradiction in the honourable member's question. At one point he is wondering why the Attorney General comments and then he wants the minister in the House here to make a comment.

I would only say to the member that in my experience I have found the Attorney General of this province on all occasions to be totally rational.

Mr. Rae: Mr. Speaker, I hope the Premier would agree that the allegations which have been made on the tapes, not by any individual who is on trial, but rather by two police officers, contain allegations of real importance, not only to the conduct of the police but to the administration of justice in the province, and indeed contain one important allegation with respect to the conduct of the Attorney General himself.

This is no laughing matter, Mr. Speaker, and I hope—

Mr. Speaker: May we have the supplementary, please.

Mr. Rae: I would simply ask the Premier as a supplementary question, does he not think that the allegations are sufficiently important that they warrant an inquiry that is independent both of the police and of the Attorney General?

Hon. Mr. Davis: Mr. Speaker, I heard of many of the assets and liabilities of the honourable member before he entered this Legislature, but I really did not think a lack of eyesight was one of them. I really did not notice myself laughing, nor do I consider it a laughing matter, nor did I sense anyone else was laughing, except the gentleman to the member's left who was smiling. I say that with the greatest of respect. I know the distance between us both philosophically and geographically is fairly significant, but even I can tell when the member is looking serious and when he perhaps on occasion smiles.

If the honourable member is suggesting the allegation, for instance, as it refers to the Premier of this province is to be taken seriously, I would find that rather surprising. I do not say that in any way by way of personal defence, but I at least happen to know what my habits are.

I would suggest to the leader of the New Democratic Party that if he takes seriously the "quotes" related to the Attorney General, then I think that is extremely unfortunate.

I would say to the leader of the New Democratic Party, the Attorney General has already indicated to members of this House that the

question of the tapes or their contents is a subject of investigation by the Ontario Provincial Police. I happen to have, as he does, complete confidence in the integrity and the capacity of the Ontario Provincial Police.

2:40 p.m.

Mr. Roy: Mr. Speaker, I would like to ask the Premier again, as a member of the bar and as a good friend of the Attorney General, with the admiration some of us have had for the Attorney General over these past years: In view of the serious attacks over the last few months on the integrity of the administration of justice, does it not concern the Premier of the province that, as to himself and the Attorney General, nobody seems to be coming to the defence and upholding the integrity of the administration of justice?

Is the Premier prepared to defend the administration of justice enthusiastically? There appears to be some reluctance on the part of the Attorney General. Does the Premier not think it is about time to consider having someone in that office whose sworn duty it is to defend the administration of justice? If the present Attorney General is not prepared to do so, we should have someone who is.

Hon. Mr. Davis: Mr. Speaker, over the years I cannot recall anyone who has articulated in a better sense or more often, not a defence of, but support for the administration of justice in this province than the present Attorney General. If the honourable member wants me to reiterate my support for the administration of justice in this province, I do so without hesitation or equivocation.

I come from a family where my late father happened to be crown attorney for over 30 years. I am relatively familiar with the traditions and history of the administration of justice in this province.

I would say with the greatest respect that, while on occasion problems emerge because one is dealing with human beings, with individuals, I would compare the record here in terms of the administration of justice with that of any jurisdiction in North America in a very favourable way.

SALE OF RENTAL UNITS

Mr. Peterson: Mr. Speaker, I have a question for the Minister of Consumer and Commercial Relations with respect to the Greymac-Cadillac Fairview transactions and a variety of other people.

Yesterday the minister learned some new

facts pertaining to that situation. He learned that Cadillac Fairview's property management had been sold to Kilderkin Investments some time ago. Recently, subsequent to his last pronouncement in this House, he learned that Greymac Mortgage Corp. had been sold by Leonard Rosenberg to one William Player, the man behind the Kilderkin situation. With what we know about the mortgage financing of this deal, it now appears the tenants of the subject properties could be paying for Bill Player's purchase of Greymac Mortgage Corp.

We understand the proposed legislation makes it a little easier to handle the increased rental costs, makes them a little more manageable, but why should the legislation permit tenants to pay for this high-stakes wheeling and dealing between Leonard Rosenberg, Bill Player and a variety of other people we do not know about? How can the minister justify even one nickel of tenants' money going to finance this long series of Monopoly transactions?

Hon. Mr. Elgie: Mr. Speaker, let us not assume I had no understanding that the management of Cadillac Fairview was going to leave. As the Leader of the Opposition will recall from my statement of November 4, I said the president of Greymac Credit had told me he would be acquiring the management of Cadillac Fairview. So it is no surprise to me that they went on to the ultimate purchaser. If it is to the member, then I think that is interesting.

Mr. Peterson: Kilderkin.

Hon. Mr. Elgie: I said "initially". I said it was no surprise to me, and I am sure it is not to the member, that the management services then moved on to the company that ultimately is the long-term lease holder.

Let me also say that the sale of Greymac Mortgage from Mr. Rosenberg to Mr. Player is an issue I know about and an issue we have had discussions about. Certainly, one has to have some genuine concerns about whether the closing of that transaction in any way had any relevance to the other transactions that were completed on those days.

It is for that reason I have asked the same special examiner to add Greymac Mortgage to the companies under the Loan and Trust Corporations Act. They will be examining, auditing and generally carrying out an investigation as to the conduct of the company.

The member asked if I was concerned about the tenants. If he does not understand that what happened this week—the legislation, the changes

and the guidelines that were introduced—is a loud and clear message that this minister and this government do not approve of frivolous speculation—I am not commenting on whether there was in this instance or not, I am talking in general—if he does not understand that message, he is probably the only one in this building who does not.

Mr. Peterson: It is obvious to me the minister is terribly embarrassed about this whole situation. He is the last one to know. There is a new snippet of information today from the minister that Greymac Mortgage will be investigated along with the trust company. Day after day, we have to pull it out from him. Day after day, as more information conspires against what the minister knows, he is increasingly embarrassed.

Since the minister's statement on Tuesday, he should know more because we know more than he revealed in that particular statement. I am asking the minister again, to avoid further embarrassment to himself, why will he not call for a full and open investigation now? The test he has imposed, the suggestion of criminal wrongdoing, was not the test he imposed in the other investigations. Surely we have an obligation to get to the bottom of this. Why does the minister keep stonewalling day after day?

Hon. Mr. Elgie: Let me try to be very fair in my comments here. I am not the least bit embarrassed about this or about anything I have ever done in this Legislature. If the Leader of the Opposition thinks I should be, then I do not know to whom he should talk, because he is not talking to people who understand the facts right now.

Let us also understand that I have ordered, under my statutory responsibility under the Loan and Trust Corporations Act, special examination, audit and general inquiry under the Public Inquiries Act. That will be an inquiry that is appropriate to the needs and purposes we are all concerned with.

If the member thinks I am being cautious, if he thinks I am not going to get to the heart of the issues, let me tell him very clearly that the full investigative force of my ministry is and will continue to be addressing all the issues related to these transactions.

Mr. Rae: Mr. Speaker, I guess being a Tory is never having to say you are embarrassed. If the minister has never been embarrassed, that says a lot about him.

Mr. Speaker: Supplementary, please.

Interjections.

Mr. Rae: The minister obviously needs a lot of help from some of his friends. They are not allowing me to put my supplementary.

Mr. Speaker: Order.

Some hon. members: We want Jim Foulds.

Mr. Foulds: They cannot have me; I am here.

Mr. Speaker: I must point out to all honourable members, it is your question period. You may use it for whatever purpose you wish, but I want to hear the questions if nobody else does.

Mr. Rae: Mr. Speaker, if the minister is interested in getting rid of speculation and in punishing speculators, which seems to be part of the message he is coming out with in the last few days, why in the name of goodness has he not imposed a tax on the speculation that has taken place, causing totally false profits of over \$200 million in the last two months?

2:50 p.m.

Hon. Mr. Elgie: Let me just reiterate that I am not the least bit embarrassed. I am not embarrassed but rather proud of the kind of support I have from my back-benchers.

Interjections.

Mr. Speaker: Order.

Hon. Mr. Elgie: It is not the kind of support that a previous leader of the New Democratic Party had, because he did not have it.

Interjections.

Hon. Mr. Elgie: It is interesting to have the member ask the same question today that he asked the other day. I told him that the message from this minister in that statement, that bill and these guidelines, was very clear. I said, "If you wish to address yourself to other issues, you should address yourself to the appropriate minister." If the member wants me to write the name, I will be glad to do that, although I know his desk gets full of little notes. It was so high the other day from one question.

Mr. Peterson: Mr. Speaker, the minister said I was accusing him of being too cautious. Were those the words he used?

Hon. Mr. Elgie: No, I did not say that.

Mr. Peterson: I didn't accuse him of that. I accuse him of being naive and of being duped. I now accuse him of stonewalling. That is what I accuse him of. Because every day this information—

Mr. Speaker: Supplementary, please.

Mr. Peterson: Every day more information

comes out and the minister is the last one to know.

Mr. Speaker: Supplementary, please.

Hon. Mr. Elgie: Was that a question?

Mr. Speaker: It was not a question.

Mr. Peterson: The question is this: In view of all the people the minister knows have been involved in various ways with this thing, including Mr. Cowper, and including John Clement, a former Attorney General, a director of one of these companies, and all the people he knows who have knowledge of the situation, why does he not feel an obligation to get all the truth out in public now?

Hon. Mr. Elgie: It is always kind of interesting in life to look back at repetition and see if the facts in the past always fit with those of the present. I recall a year ago I stood in this House, and who was criticizing me? It was a member of the Liberal Party, who was saying, "How dare you suggest that human rights officers have the right to enter a building and ask to look at books and premises?" I will not quote what one Liberal member said, but it was very clear: "You should have good and reasonable cause before you start making silly accusations."

Let me say very clearly, frankly and honestly that all these issues will be investigated. They are not going to be investigated by the member coming in daily with dribs and drabs of information and me standing up and giving him dribs and drabs of information. The member should tell his investigator, Mr. Whitelaw, that if he gets any information that is really interesting, he has an obligation to tell my investigator, so he knows very well what it is. In that way, we all get to the root of the matter rather than playing games in this House every day.

Mr. Peterson: A point of privilege, Mr. Speaker: Perhaps the honourable minister will be good enough to tell this House, with respect to the point he just made and in defence of my privileges therein, why his investigators in his ministry came to our researchers to ask what we knew, to find out what was going on in the situation.

Mr. Speaker: New question. The member for York South.

Interjections.

Mr. Speaker: Order.

Hon. Mr. Elgie: Let me tell your researchers—

Mr. Speaker: I did not allow the point of privilege. I have ruled it out of order, therefore there is nothing to reply to.

The member for York South with a new question.

Mr. Rae: Mr. Speaker, my question is to the Premier concerning the Cadillac Fairview transactions. Given that the Minister of Consumer and Commercial Relations admitted yesterday in committee that he did not know who the beneficial owners of the property are now or were at any point during any of the transactions that occurred, why did the cabinet not decide to order a public inquiry into the entire series of transactions, given that without that inquiry we will never know the facts behind these deals?

Hon. Mr. Davis: Mr. Speaker, I do not really want to upset the honourable member, but I listened to the exchange just a few moments ago in which he participated, where the same question was asked in a rather different form—perhaps not in the same well-modulated voice—and where the answer, I thought, was given in a very articulate way by the Minister of Consumer and Commercial Relations.

Mr. Rae: It may be necessary to ask the same question if we never get a good answer to that question. Does the Premier not think the tenants of this province ought to know, as a matter of right, who owns the roof over their heads, and can he point to any legislation or any inquiry that will give tenants the right to know?

Hon. Mr. Davis: Mr. Speaker, I have never had tenants really portray to me their concern about what company or what individual necessarily owned the roof over their heads.

Mr. R. F. Johnston: Come off it.

Hon. Mr. Davis: Well, I am just telling you the main—

Mr. Rae: What are they supposed to do? Phone Mecca?

Hon. Mr. Davis: Let me explain. I have had tenants approach me on the question of security of tenancy, on the question of the rate they were paying. That has been, and I think for the average tenant still is, the main concern.

Mr. Rae: The Premier should recognize that if he wants to talk to any group of tenants, they will say that if it is impossible to know who is behind the numbered company, that is an issue of some real importance.

Would the Premier give a simple answer to this question? Can he point to any inquiry or to any legislation that will allow us to know who paid what to whom and when, and who now owns those 11,000 units? Can he tell us what inquiry will give us an answer to that question?

Hon. Mr. Davis: I think that question has already been asked.

Mr. Rae: It has not been answered.

Hon. Mr. Davis: I would be rather surprised if it is not in the course of the investigation that is going on under the Loan and Trust Corporations Act, where the bulk of that information—I cannot assure the honourable member—but where the bulk of that information in fact will be obtained.

JOB CREATION

Mr. Rae: Mr. Speaker, I would like to address a question to the Treasurer, who made an announcement yesterday with the federal Minister of Employment and Immigration with respect to a job program in Ontario. If the feds had put up \$200 million, would he have put up \$200 million?

Hon. F. S. Miller: Mr. Speaker, that is a hypothetical question.

Mr. Rae: That was not a hypothetical answer; that was an evasion, Mr. Speaker.

Can the minister tell us why his government is responding with less money now than it did in May, when the situation today is much more serious than it was in May? Why is he spending less money now than he was in May?

Hon. F. S. Miller: Until I tell the House how much I am spending, how does the honourable member know how much I am spending?

Mr. Peterson: Mr. Speaker, the Treasurer will recall, I am sure, that in November 1980, some two years ago, he brought in a mini-budget and the stated intention was "to create employment in Ontario."

That was two years ago. In the meantime unemployment is up by 242,000; the unemployment rate has gone from 6.6 per cent to 11.7 per cent, and total employment is actually down in this province: there are 81,000 fewer people working than there were two years ago; the gross provincial product in real dollars is 2.5 per cent below the 1980 level.

Things are very much worse than they were two years ago, when the Treasurer thought things were of such crisis proportions that he needed a mini-budget.

Mr. Speaker: Supplementary, please.

Mr. Peterson: Why does the Treasurer not bring in a mini-budget now to address these problems?

Hon. F. S. Miller: I have explained, Mr. Speaker—and that question has been asked

before also—that a mini-budget is not needed at this point.

Interjection.

Hon. F. S. Miller: I took certain tax actions then. I will be reacting, I believe it now will be Monday rather than tomorrow. The discussions I had with Mr. Axworthy yesterday, and I thought they were very good discussions, have given me a slightly different program from what I expected; therefore, I have to amend what we are doing.

3 p.m.

Mr. Rae: Mr. Speaker, I wonder whether the minister does not think that job creation is worth spending more than two days of provincial revenue.

Hon. F. S. Miller: Mr. Speaker, we do not have any one set figure, such as the amount we will be talking about in this supplementary action, as being the sum total of what we have done.

The Leader of the Opposition a moment ago talked basically about my Board of Industrial Leadership and Development document. The BILD document was a mid- to long-term economic policy, the kind of thing the honourable member's party talks about a great deal.

I want to say that as time goes on, around this province the recognition of the importance and appropriateness of the BILD document—

Mr. Rae: We lost 28,000 jobs last month.

Hon. F. S. Miller: It has only taken the member three days to interject. He must listen before he answers. When I was a teacher, I liked them to listen.

The BILD document was not something that was going to generate a lot of jobs all at once. It was a document aimed at attacking some of the structural problems in our economy.

The Minister of Industry and Trade (Mr. Walker) is quite busy these days going around opening the technology centres, and people come from all over to be there and to have their faces on television, to appear to be part of the scene even when they are part of the opposition.

I met with the electrical manufacturing people this morning, and they said that in their mind the best description of what Ontario ever needed in the electrical field was in the BILD document; that they could not have said it better themselves. There are others saying that. The name "BILD" can be seen all around the province, as some reporters have noticed, because we are working all around the province.

ARGOSY FINANCIAL GROUP

Mr. Breithaupt: Mr. Speaker, I have a question of the Minister of Consumer and Commercial Relations concerning the matter of Argosy Financial Group of Canada, a matter about which there has not been any statement in this House by the minister since the arrests, apparently, reported on November 9.

Since there was an extensive, year investigation by the Ontario Provincial Police and the Ontario Securities Commission, can the minister now tell the Legislature and the 1,600 investors who lost their savings, how was it that the relevant Ontario regulatory bodies, such as the Ontario Securities Commission, the registrar of mortgage brokers and the financial institutions division, all under his ministry, managed to fail in their duty as public watchdogs and overlooked the operations of Argosy?

Hon. Mr. Elgie: Mr. Speaker, I will have to go from recollection of some time ago on this, but it is my recollection that there was a pretty thorough debate about this issue some time ago. It is my recollection that the director of the Ontario Securities Commission, as the honourable member will recall, initially did not approve of that prospectus and that the matter was then appealed to the commission, which approved it. If I am wrong in that, I will come back and say so. But that is my recollection of it.

Mr. Breithaupt: Since Argosy Investments was licensed provincially as a mortgage broker in the same way that Re-Mor Investment Management Corp. was; since London Loan Ltd., which during the relevant time was a subsidiary of Argosy, was also licensed provincially; and since Argosy Financial Group of Canada Ltd. was registered provincially as a securities issuer, does the minister not agree that the licensing and regulatory bodies involved have an obligation to monitor companies such as those which they license?

Hon. Mr. Elgie: If the member wants a detailed review of events after that, I will be pleased to get it and report to him.

Let me just say that my recollection of events, and it is some time ago, is that the director of the Ontario Securities Commission, as the member will recall, initially did not approve of it; the issue was then referred to a full commission, applying the principles of natural law, and the director was overridden.

Surely no one is saying that there was any wrongdoing or that anything was missed as a

result of that, because I have to think that everybody did whatever was reasonable in the circumstances.

WAGE AND PRICE RESTRAINT PROGRAM

Mr. Mackenzie: Mr. Speaker, I have a question of the Minister of Labour. Will the minister inform the House and file with the House any studies or plans he has made to deal with the damage that will be done and the problems created to free collective bargaining in Ontario as a result of the arbitrary cancellation of contracts by Bill 179, the denial of the right to strike and the denial of arbitration rights?

Hon. Mr. Ramsay: Mr. Speaker, I have no intention at this time of filing any of the contracts to which the honourable member refers.

Mr. Mackenzie: I obviously asked for any studies or information the minister had about the results of this particular legislation. As well, can he explain why he has prematurely broken the law himself by virtually shutting down the arbitration process in the public sector in Ontario, even with the number of key cases on the docket? Is the minister willing to appear himself, voluntarily, before the standing committee on administration of justice, which is discussing this bill, to deal with some of the ramifications of this legislation for Ontario?

Hon. Mr. Ramsay: I believe I can best answer that question by reading into the record a very short letter which I wrote to the chief executive officer of the Ontario Nurses' Association and which addresses that very point. It says:

"The purpose of this letter is to accurately state for you my position in respect to the exercise of ministerial powers of appointment under the Hospital Labour Disputes Arbitration Act in the face of Bill 179.

"As you know, Bill 179 has been referred to a standing committee of the Legislature before which clause-by-clause debate is now in progress. While I can only speculate as to the precise date, it is reasonable to assume that this bill will be enacted within the next few weeks. No one can, however, be entirely certain of what amendments may be passed either on the Treasurer's motion or at the suggestion of one of the other parties.

"Until the final contours of the bill are known, it is impossible to say whether or to what extent the dispute resolution procedures under the

Hospital Labour Disputes Arbitration Act will be relevant during the period of the restraint program.

"I would seriously question the utility of pursuing a dispute to arbitration at a time when legislation may render any resulting award void. For this reason, I have deferred"—and I stress that word "deferred"—"acting upon the request to appoint arbitration board members until the bill has been expressed in its final form.

"I believe my position is prudent in the circumstances and not in conflict with my responsibilities under the Hospital Labour Disputes Arbitration Act."

It is important to distinguish between a deferral and a refusal to exercise a statutory power. There has been no refusal on my part to date.

Mr. Wrye: Mr. Speaker, can the Minister of Labour help me by explaining whether he believes that contracts signed before the introduction of this legislation and still being carried forth are legally binding and should be honoured by the employer until such time as Bill 179 is or is not dealt with favourably by this Legislature? Should any increases that might occur while these discussions are ongoing be fully honoured until such time as there might be any rollback?

Hon. Mr. Ramsay: Mr. Speaker, I believe the honourable member knows full well the nature of Bill 179 and what it provides.

Mr. Mackenzie: On a point of order, Mr. Speaker: The minister also did not answer the second part of the question. Will he volunteer to appear before the committee?

Mr. Speaker: The minister really does not have to answer if he does not choose to.

CONVERSION OF SINGLE-FAMILY HOMES

Mr. J. M. Johnson: Mr. Speaker, I have a question to the Minister of Municipal Affairs and Housing.

In view of the very serious shortage of rental accommodation in Metropolitan Toronto, will the minister consider working with municipal councils to encourage the conversion of some single-family homes into accommodation for two families; for example, by converting a recreation room into a small apartment? It would serve two purposes: (1) to provide much-needed apartments and (2) to assist financially depressed home owners to save their homes by sharing the mortgage costs with the tenants. Would this not free some housing stock in Metro?

3:10 p.m.

Interjections.

Mr. Speaker: Order. I am sure all honourable members will have an opportunity to ask their questions at the appropriate time.

Hon. Mr. Bennett: Mr. Speaker, you will be aware that in the ministry we ask municipalities, first of all, to do a housing needs study in their various communities. From those studies, we try to assess the housing requirements.

In this community the mayor has indicated clearly that he wants to pursue this subject with his councillors and eventually to meet with the province of Ontario. I want to suggest very positively that the issue raised by the honourable member is one that actually will be responded to in a very positive way by the municipality itself, because it relates to zoning.

In the information backing up the Challenge 2000 program, we have indicated clearly that this is one of the possibilities of providing some secondary type of accommodation in our various communities. But as I said at the time, and I repeat it now, it will require a sales program by the municipalities to the various communities. As we have experienced in the past, some communities resist any further doubling-up or multiple use of some of the single-family residences in their community.

While we can assist from the provincial point of view, most of the responsibility for trying to sell the community on the zoning change will rest with the local municipalities.

Mr. J. M. Johnson: Many elderly and infirm people would be able to continue to live in their homes if they had the support service of someone sharing that home. The Minister of Health (Mr. Grossman), the Minister of Community and Social Services (Mr. Drea) and possibly our housing czar, the Minister of Consumer and Commercial Relations (Mr. Elgie), should also be in such a program. Will the minister discuss the proposals with his colleagues and the municipal politicians?

Hon. Mr. Bennett: Without any doubt, we are advancing and asking the municipalities to review that very situation to find out what their interest happens to be in trying to convert some of the older homes to multiple use. Indeed, we said before that it would give an opportunity to some of our seniors who are home owners and having cash-flow difficulties in maintaining their homes to use them for a second residence and to have an income from the rental factor that

would allow them to retain those residences for a longer period of time.

I say to the member very clearly, the points he raises are valid and I hope they are points the various municipalities around this province will take under serious consideration. Wherever we in the Ministry of Municipal Affairs and Housing can be of help, we will help. I think there is value in the suggestion by the member.

Mr. McClellan: Mr. Speaker, is the minister aware that a proposal identical to the suggestion made by his colleague already has been brought to Toronto city council and that there has been discussion of the merit of the proposal?

Can the minister tell us whether there are funds within existing ministry budgets for the promotion of these kinds of conversion programs and whether there is staff in place in his ministry and available to meet with representatives of the city of Toronto or other interested municipalities, as well as sponsoring groups and organizations that are interested in seeing this proposal move forward?

Hon. Mr. Bennett: Yes, Mr. Speaker, there is staff available within the ministry to advise municipalities. That staff has assisted municipalities with other types of projects in trying to bring housing on stream in their various communities.

Regarding the financing, part of that will come within the review that I was asked to make on Tuesday of overall housing requirements and new scopes we might want to undertake in the next two, three or more years.

As regards the issue raised at Metropolitan Toronto related to suggestions they have advanced for the dividing up—if that is the proper word to use—of some of the residences in the various communities of Metropolitan Toronto, we are aware of their suggestions.

But I want to remind this House again that the difficulties will come not just in making suggestions to the minister, the ministry or the government. The real proof of it will be the ability of each municipality and each area alderman to sell to his community the idea that it would be a wise step, in the light of the conditions prevailing in the housing supply program and in the light of the requirement of units at a lower rental factor than we are experiencing under the development programs today, to make housing available through the division of some of the present homes.

I draw to the members' attention the confusion and the chaos in the Parkdale area with the bachelorettes, which served a very useful pur-

pose for some people in the various parts of this metropolitan area. That was not well sold in that community. I suggest strongly that if the program being advanced by Metropolitan Toronto and some other communities across the province is not successful, it will not be because of the provincial attitude towards it, which is positive, but because of the inability of the council and the aldermen, the local representatives, to sell it to the people in the communities where they wish to make that zoning change.

Mr. Epp: Mr. Speaker, given the fact that the minister has just spent \$850,000 to get out the vote in Ontario, why does he not use some of the money and some of the leadership that usually accrues to his ministry to call the various municipalities together to see how the zoning in the various municipalities might be expedited or changed to try to get more housing?

Second, how long will it take for him to get this housing study completed so we can get some benefit from it before thousands and thousands of residents of this province have to suffer under the lack of leadership he has offered in the past two or three years?

Hon. Mr. Bennett: Mr. Speaker, we hear the same idle words from the opposition constantly about lack of leadership. This province has offered a great deal of leadership in the provision of housing.

One can look at the Ontario rental construction loan program, the renter-buy program and various other programs this province has participated in either on its own or in co-operation with the federal government to produce units across the province.

We do not hesitate to point to the fact that the programs we have initiated as a government have been extremely responsible for the number of units we have been able to bring on stream in the rental construction loan program and the various ownership programs.

I say to my friend, do not give us this bumb about having done little or nothing. We have been aggressively trying to answer the problem within the financial limitations of the federal and provincial governments; so do not give us this nonsense about doing little or nothing.

Interjections.

Mr. Speaker: Order.

Hon. Mr. Bennett: I suggested to the member a week ago that since the members opposite are so intimately related to the federal government in Ottawa, they might like to talk to the federal minister about certain additional allocations to

this province under the co-operative, nonprofit, public and private programs, so we can get on with building some more units within that area which responds to people who require rental assistance. It cannot come singularly from the province—it is a co-operative program—but the federal government controls the number of units that are allocated to this province and, indeed, to any one of the 10 provinces of Canada.

I have very clearly suggested to municipalities the zoning changes and amendments to their official plans and secondary plans, and I do not think they require this minister to take them by the hand and lead them along that path. Metropolitan Toronto, the city of Toronto, Ottawa—

Interjections.

Mr. Speaker: Order. The minister will ignore the interjections and proceed to answer the question, please.

Hon. Mr. Bennett: Yes, Mr. Speaker, I will ignore the interjections, because that is about the value they have produced in the discussion in this House.

I believe that the major municipalities, which is where most of our housing problems stem from, are very well equipped. I compliment them on the superior staff they have in being able to design and develop new official plans and to find innovative ways of trying to change zoning that will cope with the present requirement for housing in their various communities.

I want to emphasize that planners and so on can be very astute, very knowledgeable and very much of assistance to the municipality, to the elected council, but I repeat that the final success in selling this will be when the aldermen, the local representatives, sell it to the individual communities, which very well might protest it and take it to the Ontario Municipal Board and through a long, drawn-out period of hearings.

3:20 p.m.

GRANT TO LONGFORD RESERVE LTD.

Mr. Eakins: Mr. Speaker, my question is for the Minister of Natural Resources. As the minister is no doubt aware, the township of Longford in Victoria county is privately owned and is more than 50 per cent foreign-owned. Can the minister confirm that a grant of \$25,000 was made available to a group known as Longford Reserve Ltd. under the managed-forest tax reduction program? To qualify, has it not been

his ministry's policy that one must be a resident of Ontario?

Hon. Mr. Pope: Mr. Speaker, I will have to get the information on the specifics of that grant and get back to the honourable member when I am here next week.

Mr. Eakins: Can the minister confirm that at the time the grant was given, regardless of any change since, it was more than 50 per cent foreign-owned? Will he confirm that it is his ministry's policy now that to qualify one must be a resident of Ontario? Is that true?

Hon. Mr. Pope: I think the member has to distinguish between ownership of shares and residence of corporation. That has always been an argument with respect to the activities of certain individuals or corporations in this jurisdiction. There are always arguments as to whether a corporation is foreign-controlled or foreign-owned and to what degree that should affect our programs to improve the woodlot and wood production capacities of Ontario.

EMPLOYMENT IN SUDBURY

Mr. Laughren: Mr. Speaker, I have a question for the Premier on the job situation in Sudbury. I want to ask him about long-term commitments to Sudbury, not the temporary jobs that have been created by the various levels of government, including the region.

First, I want to ask the Premier whether he will make a commitment to Sudbury to take the advice of his own experts in his government, which they put forth in Towards a Nickel Policy for the Province of Ontario, back in 1977, when they suggested there should be a nickel institute in Ontario in Sudbury to implement strategies for domestic production of nickel-based products.

Second, will he direct that the exemptions to section 104 of the Mining Act be cancelled so that Falconbridge will refine its ores in the Sudbury basin?

Third, will plans be implemented now to create a fertilizer plant utilizing the sulphur at Sudbury and the phosphate deposits at Cargill township, near Kapuskasing?

Will the Premier make those long-term commitments to the people in Sudbury?

Interjections.

Mr. Speaker: Order, please. If the member for Sudbury East (Mr. Martel) has a question to ask the Minister of Natural Resources, he might better go outside the House and ask him. Please respect the rights of others in asking and answering questions.

Hon. Mr. Davis: Mr. Speaker, I think the honourable member asked three questions but it was really one general question: Is this government anxious to provide some direction or assistance in terms of the long-term prospects in the Sudbury basin? There is no question, the answer to that is and has been "yes."

He referred to three specifics. He is going back to a report made in 1977 or 1978. I will reread that report. My instant reaction, and I am only going by memory, is that probably would not resolve the situation in the Sudbury basin. We may disagree on that.

On the question of the licence: At this moment in the economic history of that community, it would not be a wise course to pursue. I am informed by the Minister of Northern Affairs (Mr. Bernier) that his deputy will be in Sudbury tomorrow; he is meeting with the chairman of the region on Friday or Saturday to discuss any prospects or possible employment opportunities in Sudbury.

I can assure the member it has a very high priority. I am not going to kid him and say there are any instant or easy solutions, but we are pursuing it.

Mr. Laughren: I did ask the Premier three specific questions and perhaps he could respond to me in writing at a later time.

I wonder whether the Premier has seen the statistics developed by the Laid-off Inco Employees' committee in Sudbury which indicated that by the time these layoffs are over, the unemployment insurance payments will be \$91 million, the loss in federal and provincial taxes will be \$33 million and as many as 300 people could lose their homes in the Sudbury basin.

In view of those rather devastating figures, will the Premier sit down with the federal government and Inco and work out an arrangement, utilizing either stockpiling or subsidized operations with equity in return to the two senior levels of government, to ensure that Inco Metals Co. will go back to full production on January 3 at the same time as Falconbridge is returning to work?

Hon. Mr. Davis: I have not seen the specific figures but I am not disputing them for a moment. I think one only has to do the calculations of the numbers; so I am not arguing the figures.

My recollection once again is that the Minister of Natural Resources has been and will be meeting with the federal Minister of State (Mines). They are discussing various things relating to Inco and Falconbridge. I do not hold

out that particular proposal as one of the solutions, but I can assure the member that this government, in conjunction with the government of Canada and the companies involved, is looking at all alternatives.

Mr. Van Horne: Mr. Speaker, although the specific reference to Sudbury was missing in the opening comments of the Minister of Agriculture and Food (Mr. Timbrell) at the Royal Winter Fair the other day, he did make reference to new initiatives for the agricultural industry in the north and what they might provide.

In relation to the question asked by the member for Nickel Belt about jobs, can the Premier, the Minister of Agriculture and Food or the Minister of Northern Affairs indicate what new initiatives there might be for jobs related to agriculture in the north?

Hon. Mr. Davis: Mr. Speaker, knowing me as well as he does, the honourable member I think will understand that I will not be directing the Minister of Agriculture and Food, but I am certainly quite prepared to ask him to give the member whatever information he can.

LANGUAGES OF INSTRUCTION COMMISSION

Mr. Eves: Mr. Speaker, I have a question for the Minister of Education. With respect to the establishment of a French-language entity in Mattawa and in the light of the recent visit of the Liberal member for Prescott-Russell (Mr. Boudria) to that community in the riding of Parry Sound, can the minister inform the House what the recommendation of the Languages of Instruction Commission of Ontario is?

Hon. Miss Stephenson: Mr. Speaker, it is my understanding that, after an investigation at the request of parties in Mattawa, the Languages of Instruction Commission has recommended that an independent assessment or Gallup poll of the citizens of the area be carried out and, if a majority of the citizens in that community are in favour of the establishment of an entity, that a school entity be established.

It is also my understanding that the responsible board of education, the Nipissing board, has accepted that recommendation from the Languages of Instruction Commission.

It seems to me that is in direct support of the position this government and the Ministry of Education have been taking since October 5, 1979. We did encourage, stimulate and attempt to persuade boards to establish entities for

French-language education where the board and the community felt it was necessary and appropriate. We have not sought to impose such entities upon communities but have been working with the communities to encourage them to consider seriously the development of such programs.

It is my understanding that the Nipissing board feels it is going in the right direction and it will be pursuing the recommendation of the Languages of Instruction Commission.

I also gather that there was a very interesting reaction to the honourable member's visit to Mattawa yesterday. In fact, I am surprised to see him here today, because it was reported on the radio that the local president of the Liberal association announced he had lost every Liberal vote in that riding for all time.

3:30 p.m.

Mr. Eves: Is the minister aware that the president of the Mattawa Liberal association reportedly said this morning that thanks to the visit of the member for Prescott-Russell they have lost every Liberal vote they ever had in the town of Mattawa?

Mr. Speaker: Order. That question has already been asked and answered.

Mr. Boudria: Mr. Speaker, I would like to ask a real question of the minister if I may. She said a moment ago that she was in favour of the establishment of French entities where numbers warranted. Could she explain to us why the Languages of Instruction Commission indicated that there should have been an absolute majority as opposed to a warranting number?

Could the minister further state to the House, if and when a majority or a warranted number or whatever comes about in that community, that the same situation will not occur as did in Iroquois Falls where the numbers were proved, the Languages of Instruction Commission was sent to them and nothing was done? It was totally rejected. Will the minister be putting more teeth into the authority of the Languages of Instruction Commission?

Hon. Miss Stephenson: Mr. Speaker, it might interest the honourable member to know that the Education Act in this province determines that where numbers warrant—and the numbers are not specified but they are within 20 or so—classes for French-language education must be established. That is required, and they are established.

The policy statement of October 5, 1979, related to the establishment of French-language

secondary school entities, and it stated quite clearly that the government encourages the establishment of separate French-language instructional entities where the school board and the local community wishes this to happen. We have been working with both school boards and local communities to encourage them to move in the direction of ensuring that the French-language instructional requirements or needs of students are met through whatever method.

As a result of that policy statement, six new French-language entities have been established since 1979. There has been a significant increase in the French-language offerings in many of the mixed language schools, and the vast majority—not the vast majority but certainly the majority, of French-language students at the secondary school level in this province are now attending secondary schools totally within the French language.

Mr. Mancini: Mr. Speaker, I have a point of privilege and I would ask the Premier (Mr. Davis) to stay to listen to it.

I have a document here, and it is an official newsletter published by the Ontario Council of Commercial Fisheries. Looking at page 2, I would like to quote—

Mr. Speaker: Can you identify your point of privilege, please?

Mr. Mancini: Yes, I am going to that point right away. It states, "He has met with superminister, the Honourable Lorne Henderson." Mr. Speaker, I would like you to inform me whether or not there are superministers in the cabinet and just what classifies a person as a superminister, and if you cannot—

Mr. Speaker: Order. The member for Essex South will resume his seat, please.

PETITION

CLOSING OF START CENTRE

Mr. McNeil: Mr. Speaker, I would like to table a petition containing over 1,000 names opposed to the closing of the Start Centre located at St. Thomas.

REPORTS

STANDING COMMITTEE ON GENERAL GOVERNMENT

Mr. Barlow from the standing committee on general government presented the following report and moved its adoption:

Your committee begs to report the following bill with certain amendments:

Bill Pr35, City of Sarnia Foundation Act.

Your committee begs to report the following bill without amendment:

Bill Pr38, Town of Strathroy Act.

Motion agreed to.

STANDING COMMITTEE ON RESOURCES DEVELOPMENT

Mr. Andrewes from the standing committee on resources development presented the following resolution:

That supply in the following amounts and to defray the expenses of the Ministry of Tourism and Recreation be granted to Her Majesty for the fiscal year ending March 31, 1983:

Ministry administration program, \$1,695,300; tourism development program, \$24,146,800; tourism and recreational attractions program, \$18,868,500; recreation, sports and fitness program, \$43,932,600.

INTRODUCTION OF BILLS

BOROUGH OF EAST YORK ACT

Mr. Williams moved, seconded by Mr. J. M. Johnson, first reading of Bill Pr36, An Act respecting the Borough of East York.

Motion agreed to.

UKRAINIAN CULTURAL CENTRE ACT

Mr. Shymko moved, seconded by Mr. Runciman, first reading of Bill Pr47, An Act respecting the Ukrainian Cultural Centre.

Motion agreed to.

3:40 p.m.

ANSWERS TO QUESTIONS ON NOTICE PAPER

Hon. Mr. Wells: Mr. Speaker, I would like to table the answers to questions 464, 534, 591 and 650 and the interim answers to questions 548, 644, 645, 646, 647, 648, 651, 652, 653, 654, 655, 656 and 657, all standing on the Notice Paper [see Hansard for Friday, November 19].

ORDERS OF THE DAY

PRIVATE MEMBERS' PUBLIC BUSINESS

AGRICULTURAL EXPORTS

Mr. McNeil moved, seconded by Mr. Lane, resolution 29:

That, in view of the success to date of agricultural trade missions in promoting the sale

of our farm produce, this House strongly supports and encourages the initiatives of the Ontario Ministry of Agriculture and Food for the expansion of export trade.

Mr. Speaker: I will point out to the honourable member that he has up to 20 minutes for his presentation and may reserve any portion of that for his windup.

Mr. McNeil: I would like to reserve a couple of minutes, Mr. Speaker.

We live in an era when the world is becoming more of a single marketplace. To sustain growth and ensure future prosperity, it is imperative for Ontario business to compete in the international trading arena. In the past five years, Ontario food and agricultural producers have achieved significant inroads in foreign markets. The export initiatives of the Ontario Ministry of Agriculture and Food have contributed vital support for this expansion. I therefore urge that the House express its support for these initiatives by adopting the resolution under debate.

Last year, Ontario exports of food and agricultural products totalled \$1.6 billion, a 21 per cent increase from 1980. That sizeable gain was not an aberration. In fact, our export trade has been expanding at about that pace since 1977. Foreign sales have almost doubled during that period. Our strategy is two-pronged: replacing imports with Ontario-grown products and boosting exports. Since the resolution concerns export initiatives, my remarks will centre on that theme.

In an important trend, Ontario exporters are breaking into new international markets while holding their own in traditional markets. The United States, of course, remains our largest foreign customer. Japanese imports from Ontario are positive. Ironically enough, it spends \$40 million a year on our pork alone. Our trade in the United Kingdom and in Europe has grown in the past five years and that in the Caribbean has risen quite sharply.

We have made striking gains in the so-called nontraditional markets, such as the Far East, Latin America and the Middle East. Ontario exports to these regions increased fourfold between 1977 and 1981, growing from 13 per cent of our total exports in 1977 to a full 29 per cent last year. That performance gives us a solid base for further expansion in these emerging markets.

The Ministry of Agriculture and Food acts as a catalyst to stimulate export activity by Ontario agribusiness. It has established a comprehensive export market development program to

identify opportunities to bring buyers and sellers into contact and provide support services. The program includes regular food sales missions to the United States, the Caribbean, the United Kingdom, Europe, the Middle East and the Far East.

Other elements of the program area are: incoming buyers missions, participation in trade shows, export sales aids, a sourcing directory and export showrooms. The heart of its sales effort is, of course, the series of trade missions to foreign markets organized annually by the ministry. About 120 companies participated in one or more of the 15 missions offered last year. According to results reported by participating companies, the missions are estimated to have generated immediate sales of approximately \$30 million.

I have had the pleasure of leading three trade missions in recent years: a multiproduct mission to southeast Asia in 1979 and other major missions to the Far East in 1980 and the People's Republic of China in 1981. These opportunities to see firsthand how the system works have convinced me of the worth of such ventures. The China mission, for example, resulted in a major tobacco order of \$7.4 million. That is especially good news when one considers that every \$1 million in tobacco sales produces an estimated \$4 million to \$5 million worth of economic activity in Ontario in farming and related industries. Export sales stimulate growth, thus benefiting the provincial economy.

Let me now review the major markets served by our trade missions to illustrate how the program is tailored to seize new sales opportunities.

Let us begin with our biggest and nearest trading partner, the United States. The falling Canadian dollar has had at least one beneficial effect. Canadian goods are now more competitive in the United States, which makes it feasible to market to more distant points in that country. Hence, the ministry has sponsored trade missions to such destinations as Atlanta, Dallas and Los Angeles in addition to the customary journeys to points in the northeast and midwest.

The Los Angeles mission which returned last June 18 was particularly successful. Twelve Ontario food processing companies generated \$7-million worth of sales in just five days. The highlight of the trip was a reception featuring displays and samples of Ontario products which attracted more than 325 representatives of major supermarket chains, brokers, distributors and importers. A wide range of products was sold, including cheddar cheese, wild rice, pasta

products, table wines, McIntosh apples, butter tarts and beer.

A number of our exporters are turning the energy situation into new sales opportunities. For example, relatively high energy costs in California have created an opening for Ontario horticulture products such as shrubs and evergreens. More generally, rising transportation costs will give Ontario an advantage over California produce in eastern United States markets. Looking ahead, the ministry's goal is to build on recent gains to increase market penetration further, especially in the sunbelt states where US population growth is now concentrated.

Let me now turn to the European scene. Britain currently takes eight per cent of our food and agricultural exports, while the rest of the European Economic Community absorbs a further six per cent. As members will be well aware, Common Market agricultural policies are highly protectionist. Barriers are designed especially to block the flow of finished food products. Therefore, we must focus our resources on products which have unique competitive advantages in the European context.

For example, white beans are a commodity with good growth potential. Last June, the Minister of Agriculture and Food (Mr. Timbrell) launched a white bean initiative in London to lay the groundwork for sales of crops for future years. The program included a series of seminars for potential buyers, illustrating the educational aspect of the ministry's participation in the overseas sales effort.

Other priority items for European trade are canned and frozen sweet corn, tobacco, onions, apples and fancy meats.

3:50 p.m.

Japan is another nation regularly included on our trade mission itineraries. It is a key market for Ontario pork producers, currently taking 60 per cent of our exports of fresh and frozen pork. The ministry has been endeavouring to build on our reputation for quality meat by promoting livestock exports to Japan. Early this year, this ministry led a mission of 10 Ontario exporters of dairy and beef cattle, swine, sheep, semen and embryos to Japan and Korea.

Finally, I would like to outline recent developments in nontraditional markets, primarily the Far East, excluding Japan, and Central and South America and the Middle East. Since 1977 exports to the Far East have more than tripled, reaching a level of \$60 million last year. Sales to Central and South America more than quadrupled to \$75 million between 1977 and 1981.

Exports to the Middle East during that period multiplied nine times, totalling \$60 million last year.

While export volumes in these areas are relatively low, the spectacular growth rates signify exciting future prospects. The Ministry of Agriculture and Food is determined to capitalize on these emerging opportunities. Ministry staff has been working the Middle East market for about 18 months through trade missions and other activities. Geography prevents this part of the world from meeting its own food needs. There is little domestic food production to require trade protection, hence this area is a prime target for packaged, finished food products which have a high Canadian value-added content. Oil revenues mean that these countries can well afford such purchases.

The first Ontario incursion into this market occurred last year with a limited presence at a food show in Bahrain. This February the ministry will intensify the effort with a larger display involving seven to 10 companies at Saudi Food '83, the only food show in the highly prized Saudi Arabian market. The emphasis will be on finished food products. Ontario will also participate in a parallel show, Saudi Agriculture '83, to be held in April, with a focus on breeding stock, fertilizers and other aspects of agriculture production.

The trade mission program provides each participating company with one return economy-class airline ticket, as well as air transportation for product samples where necessary. Ministry staff handle the logistics, arrange the itinerary and do everything possible to support a successful sales effort. Companies participating in trade missions represent a cross-section of Ontario agriculture, both regionally and on a commodity basis. Our exports range from maple syrup from Georgian Bay, to cheese from Winchester and wines from the Niagara Peninsula. Companies are selected according to their capability to meet the needs of the target market. The ministry is very interested in encouraging new entrants to the export arena. About one quarter of firms travelling on missions each year are new to the destination market.

The ministry staff strive to educate and advise companies on the opportunities available overseas and on how they can prepare to take advantage of them. Companies that are entirely new to exporting are usually started out on a US trade mission and then "graduated" to more challenging markets. In addition, the ministry's specialists are well versed on customs regula-

tions and other logistical hurdles exporters face. They offer advice on overcoming these obstacles. In many cases the ministry supplies technical expertise to support export sales. Veterinarians and breeding experts from the ministry staff may assist in livestock sales and, in some cases, remain in the foreign country for several weeks to advise the buyer on proper care, a policy which helps ensure repeat sales.

I must also mention the excellent working relationship the ministry has with the Ontario Ministry of Industry and Trade. Industry and Trade facilities in foreign markets, such as meeting space and clerical support, are available to food exporters. In addition, the Ministry of Agriculture and Food has its own representative at Ontario House in London, England. Naturally, the policies of both ministries are compatible. Both are seeking to maximize Ontario exports having the highest possible value added—sales, in other words—which creates the maximum number of Ontario jobs.

While export missions are the most visible form of support for foreign market development, several other programs are also available to assist exporters. Incoming missions of foreign buyers are a regular feature. About 20 foreign companies a year from major foreign markets receive return airfare to visit Ontario and meet with our companies. We bring the market to Ontario, as well as bringing Ontarians to the market. Last year these contacts led to estimated sales of over \$10 million.

The ministry, as I suggested earlier, arranges for Ontario participation in international trade shows. Last year 30 companies were involved in shows in Japan, France and the Middle East, which generated an estimated \$15 million in Ontario sales. Companies planning to produce export sales aids are eligible for ministry financial assistance for export brochures, label redesign, packaging, product reformulations and similar projects. Last year 20 companies utilized this program.

The ministry also compiles and regularly updates an export sourcing directory which lists approximately 450 Ontario companies, marketing boards and trade associations. Indexed by product category, this publication is a valuable resource for foreign buyers.

Finally, the ministry maintains an export showroom at head office in Queen's Park, as well as similar displays in London, England, and Tokyo, Japan, which exhibit products and literature from Ontario exporters. The showrooms

give potential buyers an immediate perspective on what Ontario has to sell.

This entire program, including the trade missions, is delivered by a professional six-person staff on a budget of \$850,000. We are obtaining a tremendous return in new sales from this investment. Our success in international markets is founded on a growing world recognition of the excellent quality of Ontario food products. Good things do grow in Ontario and consumers here and abroad realize that fact.

To keep the export momentum going, we are going to need not only new markets but also new exportable products. The agricultural programs of the Board of Industrial Leadership and Development have a key objective, which is the expansion of production for export.

BILD's five-year \$20-million program to expand food processing in the province will make an important contribution to boosting foreign sales. For example, a BILD grant of \$800,000 is helping Juergen Philipp Canada construct a \$4.5-million fruit processing plant and frozen storage facility in the Niagara area. I am told the complex is expected to be on stream next year, producing canned and frozen fruit and vegetables, primarily for export.

The future prosperity of our food and agricultural industry will depend very much on our success in international markets. Our long-run prospects are excellent because our agricultural productivity is exceptional. Canadians spend less on food as a proportion of their income than any other country in the world except the United States. Our current food spending of 17.7 per cent of disposable income is actually lower than the 21.6 per cent ratio of 1960.

Those figures surely imply that Ontario food producers enjoy a competitive edge in many commodities over their foreign counterparts. The Ministry of Agriculture and Food is working closely with Ontario's 450 major food exporters to translate this tremendous potential into sales results and new jobs for the people of this province.

4 p.m.

The ministry's efforts so far have borne fruit. The trade mission program in particular has spearheaded our recent export growth. I urge the House to endorse this major policy thrust by adopting the resolution under consideration.

The Acting Speaker (Mr. Villeneuve): I must inform the honourable member that he has one minute left if he wants to add something more.

Mr. McKessock: Mr. Speaker, I congratulate the honourable member for the efforts he has put into trade missions in the past. His call today for an expansion of agricultural export trade is really a motherhood issue. I rise to support it in principle, but I do so with some hesitation, which I will explain.

It would seem to me that in relatively recent times there have been a number of trade missions to foreign countries to develop export markets for Ontario products, and it is rather ironic that the parliamentary assistant to the Minister of Agriculture and Food (Mr. Timbrell) is advocating a further expansion of export markets when we have not developed the production potential in this province to meet the export trade. Let us be mindful at this time that Ontario is a net importer of food, whereas at one time it was practically self-sufficient.

We must also be mindful that the federal government is at present considering legislation that would establish a federal body to be used by the agriculture industry in making export sales. The agency will be known as Canagrex. One has to wonder if there will not be a duplication of efforts and unnecessary expense in having Ontario trade missions endeavour to establish export markets, which will really be the function of Canagrex.

However, in Ontario we have the farmers, the knowhow and the resources to substantially advance our agricultural production, and there is no doubt that the expansion of international as well as domestic markets is an ingredient which is important to this effort. What has been lacking, however, is the government's commitment to this vital industry. While it is fine for the parliamentary assistant to suggest that we should increase our export markets, the most urgent need now is to save our farmers from bankruptcy.

If the Ontario government does not bring in meaningful programs to help our farmers survive the severe economic crisis they are facing, there may be no need to develop our export markets because we may not even have sufficient products to feed ourselves. Farmers cannot survive when the prices they receive for their produce are considerably less than the cost of growing those products.

Last year was a disastrous one for Ontario farmers, with 140 farmers declaring bankruptcy. In the first 10 months of this year Ontario farm bankruptcies were again the highest in Canada: 145 compared to 126 for the same period last year. This coming spring will tell the tale when farmers apply for operating capital

having nothing to show but a tremendous loss on their financial statements.

Ontario is now the only province in Canada that does not offer any long-term financing programs to offset skyrocketing interest rates. In the meantime, Quebec has extended \$467 million and Alberta \$316 million in loans and loan guarantees to farmers in 1981-82. While other provinces offer programs to provide low-interest loans to young farmers, no such program exists in this province even though one was promised in the throne speech some time ago. How can our farmers hope to compete with farmers from these other provinces?

There are two questions that I am asked most frequently when I am out talking to farmers these days. The first is, are beef farmers going to get similar assistance this fall to that which they received last year? The reason for that, of course, is that the beef industry is now in as bad shape as it was this time last year, or worse.

The second question is, when is that young farmer program promised by the ministry coming in to assist the young farmers? When is it going to happen? That is the question they are asking.

As I have already indicated, Ontario is a net importer of agricultural products. During the past seven years, Ontario's food imports have increased by 126 per cent to \$2.3 billion. We have the potential to displace over \$1-billion worth of these imports with Ontario grown products if the right economic climate is provided for our farmers.

The government's own reports state that, over the next two decades, Ontario's food production will need to grow by an equivalent of 1.1 million acres of new food production capacity if we are to maintain current levels of self-sufficiency while meeting future demands. Yet our prime agricultural land continues to go out of production at an alarming rate with the silent approval of the Minister of Agriculture and Food.

I am sure the parliamentary assistant is well aware of the attempt to remove good agricultural land from production in areas such as Mississauga, Barrie and Brampton, not to mention the area he is most familiar with: Vaughan township.

The deputy minister made a great and successful attempt to change the Ontario Hydro corridor route from one agricultural land base to another. Surely, he will now try to continue his crusade for saving farm land in a more meaningful way around our cities.

The government has done very little to expand our agricultural production in this province. We can all recall the Premier's 1981 election promise to upgrade one million acres of northern and eastern Ontario land into high-quality farm land. Needless to say, that was a promise that has not gone far. The acreage improvement fund promised for this purpose has yet to see the light of day.

On August 27, 1982, the Ministry of Agriculture and Food announced it was developing an agricultural strategy for northern Ontario. This is yet another in the long line of studies that have been announced concerning agricultural marketing in the north.

The member will recall that in 1977, as a result of a lack of government commitment to northern Ontario agriculture, his own colleague, the present Minister of Natural Resources (Mr. Pope), introduced a bill to establish a food terminal in northern Ontario. The minister of agriculture at that time supported the principle of the bill and initiated a market study along with the Minister of Northern Affairs (Mr. Bernier) to examine agricultural potential in the north. Such a study was to have gone from a steering committee to a committee of cabinet. As yet, no report has been released.

In May 1980, a further study was commissioned by the government concerning agricultural marketing in northern Ontario. Nothing has come of such a study, if indeed it ever got off the ground.

I am sure the members will excuse my cynicism and suspicion about the honourable member's motives in presenting this resolution when we consider the record of his government's lack of commitment to the development of the agricultural industry in the province.

Dealing more specifically with some of the government's past agricultural trade missions, I can understand that in some cases the minister must be represented as some of the countries to which these trade missions travel will not take a sales delegation seriously unless the government of the country wishing to export products is represented. Specifically, I am thinking of Japan and some of the hog sales to that country. However, I fail to understand the necessity for more than one government member on a trade mission which generally includes a host of people from the private sector.

On looking over the list of members participating in the mission to Korea and Japan in January of this year, I notice five government members were present on the trip, including the

former minister and his executive assistant, all of them going at the taxpayers' expense. On the trip to Venezuela, Equador and Mexico, there were six government members.

Finally, I would be remiss if I did not mention one of this government's more elaborate trade missions to Australia and New Zealand in September 1981. While it was not an agricultural trade mission as such, none the less it offers an accurate reflection of this government's attitude to trade missions. That mission included the Premier (Mr. Davis) and his wife, the former Minister of Industry and Tourism (Mr. Grossman) and his wife, and nine government staff. The total cost to the Ontario taxpayers for that trip was \$115,444.

4:10 p.m.

Mr. McGuigan: That was on the economy plan, too.

Mr. McKessock: This was under the restraint program.

I would like to add that I look forward to reviewing the response that will be provided to the question on agricultural trade missions that was submitted on the Notice Paper on October 26 by my colleague the member for Huron-Middlesex (Mr. Riddell), who unfortunately is not available to take part in this debate because of other commitments.

Mr. Swart: Mr. Speaker, I obviously find it difficult to talk and vote against what the member for Grey (Mr. McKessock) has said is sort of a motherhood resolution, but I want to tell the member for Elgin (Mr. McNeil) that there are a couple of problems my party and I have in supporting it.

First, the member has worded the resolution so that it pats the government on the back. It states: "That, in view of the success to date of agricultural trade missions in promoting the sale of our farm produce, this House strongly supports and encourages the initiatives of the Ontario Ministry of Agriculture and Food for the expansion of export trade."

Of course, we in this party do not have any objection to recognizing success, even if it is achieved by the Conservatives; but there is really no proof that it has done any good. There is no proof it has increased exports to an extent greater than they would have been if there had been no missions whatsoever. In fact, comparing the export and import pictures in this province, the amount we spend on food imports compared to the increase in food exports, we

are now in a worse position than we were six years ago.

If we use the figures of the Ministry of Agriculture and Food, we find out for instance that in 1975 the exports from this province amounted to about \$600 million and the imports were \$1.2 billion, or double that figure. That is a \$600-million deficit.

We find in the figures for 1981, as the member for Elgin has said, that exports have gone up to \$1.6 billion, and imports have gone up to \$2.53 billion. That is a gap of over \$900 million. Therefore, the situation is worsening. That is a 55 per cent increase in the export-import deficit in those six years.

The Ontario government has not kept up with the rest of Canada in narrowing that gap. We find in the figure for Canada that in 1976 exports were \$4 billion and imports \$3.1 billion, so we had a surplus of \$900 million. In Canada as a whole in 1981, we find that the exports went up to \$8.8 billion and the imports had gone up to \$5.6 billion, or there was a surplus of \$3.3 billion: a 265 per cent increase in the surplus, while in Ontario we had a 55 per cent increase in the deficit. That does not say a great deal for the so-called export policy of the Ontario government.

I have some special concern about fruits and vegetables, especially the fruit we produce in the Niagara Peninsula. In 1975 we exported \$51-million worth of fruits and vegetables and we imported \$284-million worth. We know there are some fruits we cannot grow in this province, but in 1981 our exports had only gone up to \$127 million and our imports had gone up to \$734 million.

The gap in just six years had gone up from \$233 million to \$607 million: two and a half times. And the honourable member is trying to tell us that the Conservative government of this province has improved the situation? Why, it is far worse, of course, than it was in 1975.

Just to take some of the member's own comments, he mentioned how it is so much easier now to get into the world markets because of the low dollar value; and that is true. Yet the value of the dollar, which has decreased dramatically since 1975, has made the situation in this province much worse than it was back at that time. So although he is saying in effect that it should have been easy to close that gap, it has become much worse. I am glad to see the member making some notes over there. He has one minute to reply, and I hope he will reply to this.

So I guess we can say that if the agricultural

missions have been a success, as he claims they have, there is something else terribly wrong—is there not?—in the agriculture and food situation in this province. In a province as productive as this and with farmers as productive as the ones we have, there is a widening gap. We are importing more and more compared to what we are exporting. I hope the member will deal with that situation when he gets up.

The second thing that makes it difficult is related to what I have been talking about. This resolution and the publicity that the Tory government has given here to its trade missions are a distortion of priorities. It is really a coverup for doing nothing about import replacement in this province. That is not just my view; it is the view of people rather high up in the Ontario Federation of Agriculture and the Christian Farmers Association.

Let me just read a letter that was sent to our former agriculture critic, Donald MacDonald, which enclosed a statement by the Christian Farmers Association of Ontario signed by Elbert van Donkersgoed, who is executive director, as the member knows. He says, "Our analysis has led us to conclude that import replacement is far more important to agriculture than export development."

That has to be clear even to the people on the other side of the House, because if we are producing the food that we ourselves are consuming, we are then displacing the cost of so many of these imports and we are processing that food here and providing jobs for many more people in our society.

The Ontario Federation of Agriculture back in 1976 made a major issue of this in its brief to the government of this province. I will not quote at length, because I do not have the time, but in that brief they pointed out in their promotion of self-sufficiency:

"Only in eggs and vegetables, excluding potatoes and mushrooms, were we self-sufficient as a province in 1973 and 1974. The trends are for substantially greater deficiency in all the other groups in the future, for less surplus in eggs and vegetables."

Then they provide a table, which shows that while in 1961 and 1962 we were self-sufficient in six out of nine of the major food groups in Ontario, in 1973 and 1974 we were self-sufficient in only two of those major food groups. Then they have the prediction for 1985, which, if you look at the figures of the Ontario Ministry of Agriculture and Food, is now being borne out.

We are becoming less and less self-sufficient, as is indicated by the figures I gave.

So we find that the Ontario government is really using this kind of resolution as a coverup for its inadequacy in self-sufficiency, which is really so much more important.

4:20 p.m.

Mr. Stokes: Creating an illusion.

Mr. Swart: Yes. Even the farmers recognize that. Of course, it does make a nice junket for some of the employees of the government and the members of the government.

As the member for Grey has said, the resolution here today, for the reasons I have already mentioned, is not the answer to our farm problems. The answer is to deal with interest rates. I know that does not strike a responsive chord in the Liberals, because the Liberal government in Ottawa is responsible for them, and the agriculture critic here, in his speech on Bill 179, defended the high interest rates and said they were very necessary. But a government that really wanted to help out the farmers of this province would have intervened in such things as interest rates and in many other areas where the farmers are suffering. So let us deal with the real issues in agriculture. Let us not bring forth a diversionary tactic.

Mr. J. M. Johnson: Mr. Speaker, I would like to make a couple of comments on the member for Grey's remarks. First, I would like to go on record as strongly supporting the concerns he raised pertaining to the financial plight of some of our farmers. I do believe there is a problem and we have to address it.

Second, I would like to be less complimentary about his concerns about the change in the hydro corridor route. It is my Liberal opponent, one of the members of his party, Elbert van Donkersgoed, who takes full credit for the change of routes which now causes the member for Grey so much anxiety.

I would also like to address some comments to the member for Welland-Thorold (Mr. Swart) pertaining to the few remarks he made, and I will do that in a minute.

Agricultural trade missions are an important tool from which we all in this province can benefit. Not only do the producers and processors of Ontario agricultural products benefit from increased sales, which the trade missions make possible, but the province, as a whole, benefits because our agricultural trade deficit is reduced. Right now, that is an important point because our trade deficit stands at somewhere

around \$1 billion. That is a substantial amount, as the members have pointed out, and one that we should all work towards reducing. While it is not an answer in itself, it is something we should consider and we should all try to work towards lowering that figure.

In order to achieve this, there are measures this government can take and is taking, and there are also many things we ourselves can do to contribute to the demand for Ontario agricultural products in our capacity as legislators.

At one end of the scale, agricultural trade missions have been effective in boosting sales of Ontario products in many different parts of the world. We mentioned some: Chicago, Los Angeles and Dallas have brought in \$18 million. Some people criticize the junkets, as they call them, but I was in business for many years and one cannot sell unless one tells the people one has something to sell.

Earlier this year, a food sales mission travelled to southeast Asia for the first time. We have seen trips to Korea, Japan, Venezuela, Mexico, Ecuador; and also the tobacco mission to China, which was led by my colleague and good friend, the member for Elgin. I must say he is an excellent salesman.

Back in the spring, the sale of 10 million pounds of Ontario tobacco was concluded with Egypt. That was the first sale of Ontario tobacco to that country. Clearly, agricultural trade missions are providing a useful, needed role to the food industry in Ontario.

However, this government's other role in reducing our agricultural trade deficit should also be mentioned—this is to the member for Welland-Thorold (Mr. Swart). It involves the whole field of import replacement.

Ontario producers are capable of replacing about 40 per cent of current food imports interprovincially. A program of replacing 40 per cent of imports cannot, however, be put into effect overnight or even in a few years, but I would hope that by the end of this decade Ontario producers will be able to cover anywhere from 15 per cent to 20 per cent of replaceable imports.

Along with harvesting and weather problems, there is a lack of storage and processing equipment in this province. These probably are the major reasons we have so many imports. There is not too much we can do about the weather, but we can help through agricultural research to develop hardier plant varieties more capable of surviving the harsh weather we experience.

Even in southern Ontario, frost, hail, rain and wind can cause substantial crop damage.

Poor weather and a short growing season often cause gluts of Ontario produce on the market for short periods of time, after which we have to rely on imports. In fresh produce alone, we import over \$11 million in apples, \$23 million in lettuce and more than \$25 million in tomatoes; and all of these can be produced in Ontario.

Our best approach to this problem is to construct more storage and processing facilities. These are expensive undertakings. The Ontario government should be commended for making available through the Board of Industrial Leadership and Development program some \$20 million for funding storage facilities over the next five years.

With adequate storage facilities some farm produce such as apples, onions and potatoes can be stored year round. The import value of these three products alone is almost \$23 million. Through BILD assistance for storage and packing we can reduce our fruit and vegetable imports by one third or, in more easily understood terms, by about \$200 million.

If the government can maintain its attack on this two-pronged problem—the reduction of imports and an increase in exports—then we will be moving in the right direction. It should be pointed out that one of the government's goals is to increase exports by 20 per cent annually; however, over the last 10 years we have seen food imports increase at a much faster rate than exports. I concede that.

The annual increase in imports has averaged 17 per cent versus 15 per cent for exports. Between 1980-81, our food imports grew by about eight per cent, while exports were up over 21 per cent. In 1981, imports cost us \$2.5 billion, while exports were valued at \$1.6 billion: a deficit of nearly \$1 billion.

Recent programs would permit us to be fairly confident about meeting the goal of a 20 per cent increase in exports but for the worldwide recession which makes achieving this goal more of a challenge. In order to help achieve it, we should continue to support the Ontario Ministry of Agriculture and Food agriculture trade missions.

Last year's missions generated additional sales of almost \$30 million on a budget which I believe was less than one per cent of that amount. If members know anything about retailing, one per cent to sell 99 per cent is a good deal.

The missions have been well organized but there has been insufficient effort to publicize

and popularize Ontario products around the world. We should not hesitate to remind ourselves that this province's produce is of excellent quality, and we should make the rest of the world aware of what we have to offer.

A few weeks ago, I had the opportunity to meet with a delegation from South Africa: I have a little criticism about that, but that is another matter.

During lunch with the delegation, they mentioned that they had never heard of our cheddar cheese: world-famous cheese and they did not know anything about it because no one had told them. They import all their chicken and poultry from the United States, butter from New Zealand, cheese from Holland, beef from other African countries, some pork from Canada but most from Denmark. All these commodities could be supplied by Canada and, indeed, by Ontario.

I was concerned about the lack of interest in trading with South Africa because I have found that we—

Mr. Swart: We are trading with them. Our imports of wine have increased by three times in the last year and a half.

Mr. R. F. Johnston: We should not trade with them.

Mr. J. M. Johnson: I will not get into a discussion of whether we should or should not trade with them because of the political situation in their country. I do not support their policies, but at the same time I cannot support the policy they have in China or the Soviet Union. We sell to the Soviet Union. We have sold \$1.5 billion worth of wheat to them, and there was not one member in this House who criticized it; so let us not play double standards and be so critical of one country. We should never use food as a weapon against any country.

In conclusion, I urge all members to support this excellent resolution.

4:30 p.m.

Mr. McGuigan: Mr. Speaker, I am pleased to rise in support of the resolution from the member for Elgin (Mr. McNeil). I have the honour of sharing part of the county of Elgin with him, and I know firsthand of his ability and his knowledge of the agricultural industry. I have no problem in supporting him.

I was pleased to hear the honourable member give us an excellent defence—in fact, an excellent advance—of the whole system, Canagrex, advocated by our federal friends. I wish my friend the member for Elgin would speak to the third member with whom both of us share the

riding—I refer to the former federal Minister of Agriculture, the Honourable John Wise—and seek his support to pass this fine legislation to which the member has given such a fine endorsement at this time.

I have had some experience in selling to offshore markets, both in fresh and frozen products. An element one continually runs into is their criticism of us, as private Canadian exporters, when we have a product in excess supply in a particular year. We get excited. We rush off to some foreign market and dump the product there at a low price. We upset their traditional markets and then we disappear without follow-up sales in other years or without follow-up advice on how to handle that product.

Year after year, I have gone to conventions where we have heard people from both levels of government, provincial and federal, point out to us that this is not the way to do business. It seems to me we are trying to address that with the Canagrex system. Certainly we support Ontario efforts in that regard. I just wish our friend would convey that message to his friends in the opposite party at the federal level.

I can think back to 1972 when we had what was called the great grain robbery, when Russia entered the world's grain market and bought millions of tons of grain. They went to the five leading export companies in the United States, not telling the other members they were on this campaign, and in a matter of four or five days they bought up the whole supply of what might be termed surplus grain. They bought it at an average price in the neighbourhood of \$1.25 to \$1.65; the price changed as they bought. The highest price they paid was \$1.65 a bushel.

With our western Canadian Wheat Board system, it is not possible to go in and divide the market that way. It realized what was happening. It held off and we finished the market. We sold at around \$5 a bushel. Yet it is rather strange that our western friends today are very much opposed to the idea of Canagrex. I submit it is because of the influence of some of those American companies, which now are operating in the west. They are carrying through their philosophy and are misleading our friends in the Conservative Party in western Canada.

We certainly have some opportunities here in Ontario, as has been brought out by all members. One opportunity is occasioned by the fact that we have such very high standards of grading, and our grades, both provincial and federal, are recognized as among the best in the world. Our products stand up to the grade

requirements, and people can believe and trust in them. That is one of the points in this whole business about selling on a continuous basis, because you can make sales worldwide only on the basis of trust. After all, we are dealing with products here that have intrinsic values, quality products, qualities that cannot be easily measured and are measured in words rather than on scales. It is only through building up trust over the years that we can make these repeat sales.

While I support these measures, I have very serious reservations about other things our Ontario government is doing or is not doing. One thing they are doing is attacking our marketing board system. I know our deputy minister is trying to help poultry producers in Ontario, but I believe his public statements about quota sharing do nothing but erode confidence in the system.

We feel, especially in the part of the province that both the member and I come from, that when attacks are made on the quota type of marketing boards—and I must remind members that they are the minority of all the marketing boards we have here in Ontario—they tend to undermine the whole concept in the public mind. I submit that when those foes of marketing boards do muster their forces and finally decide to bring down our system—and we must remember their aim—they will bring down not only the quota systems but also all the systems; and most of the production in southwestern Ontario is in the field of nonquota marketing.

Producers in our part of the province, just to use a sort of ball-park figure, are probably losing in the neighbourhood of \$1 on every bushel of corn they have produced this year and perhaps that or a little more on every bushel of soybeans they are selling. The only bright spot in agriculture that is keeping the sheriff away from our doors is the fact that our specialty products, particularly canned fruits and vegetables and some of the fresh fruits and vegetables that are sold under marketing boards but not under quota marketing boards, are returning a profit.

I submit that when our deputy minister in a very political way puts forth the idea that Ontario could withdraw from the broiler and meat part of the poultry marketing system, he is flying in the face of reality, because all members know, and a good many farmers know, that we are able to operate that system because Canada is a member of the General Agreement on Tariffs and Trade. This is an organization of western countries that was formed shortly after the Second World War, and its member nations

have agreed to various terms of trading. One of the terms of that trade is that when a country—

The Deputy Speaker: One minute.

Mr. McGuigan: Thank you, Mr. Speaker. I have not time to go into the details of it, but my point is that farmers know how the system works, and I resent their being talked down to and his assumption that they do not know how the marketing board system works.

I conclude by congratulating the member for his work in the past and for his interest. I plead with him to carry the message to his federal counterparts and to tell them that we also need this legislation at the federal level.

4:40 p.m.

The Deputy Speaker: In calling on the member for Algoma, I want to bring to his attention that he has until the big hand gets to the XI, and then the member who brought forward the resolution has about a minute and a half.

Mr. Nixon: XI?

The Deputy Speaker: Well, whatever. That is on its side; IX.

Mr. Wildman: That is the number nine.

Mr. Speaker, much like every other member, at least on this side of the House, who has spoken in this debate, I rise in support of the resolution because it is very hard to oppose it. One would be opposing the idea of increasing exports, I suppose, if one were to go against this resolution.

However, I say to the honourable member who has introduced this resolution that I do not think a resolution of this sort, presented in this House by a government back-bencher, in any way indicates a real commitment on the part of this government to agriculture in Ontario.

If we are really concerned about our trade deficit in agricultural goods, which the member for Wellington-Dufferin-Peel (Mr. J. M. Johnson) admitted has climbed drastically in the past few years, then we should be doing something about import replacement. We should be producing more of those goods we grow in this province, and we have the ability to grow more, rather than continuing to import them largely from south of the border as well as from other parts of the world.

It seems a little silly to me to suggest that the main way to deal with a deficit is to increase exports. In other words, the government seems to have admitted that it cannot or will not do anything about imports, that imports are going to continue to rise astronomically and that the

only way to lower one's deficit or at least keep it from going up too high is to increase exports.

Obviously I am in favour of increasing agricultural exports from this province, but that is not the main and most productive way of approaching the deficit. The best way would be to deal with things like tomatoes and so on and ensure that we are producing for our domestic needs.

To suggest that this will somehow resolve our deficit is dreaming. It is much like the attitude of the Minister of Industry and Trade (Mr. Walker), who seems to say, when told that we are importing more and more of our manufactured goods, that the answer is to hold seminars on exports for manufacturers across the province. In other words, we lower the deficits by increasing our exports and give up on trying to deal with import replacement. It is a defeatist approach, as far as I am concerned, with regard to our domestic market.

In my view, this government does not really have any commitment to agriculture and to farmers in this province, although it would like the agricultural community to believe that it does; so it introduces resolutions of this sort to try to give them that impression.

If the government really had a commitment to agriculture in this province, the member for Elgin would be fighting in his caucus for this government to introduce the kind of interest rate relief programs that all other provinces in this country have brought in for their farmers.

Interestingly enough, most of those other governments are Tory governments, and they have introduced interest rate relief programs to help their farmers, to help them compete in a period where we have a Liberal government in Ottawa that is committed to following US interest rates no matter what it does to the country.

Mr. McKessock: It's nice that it has come down to 10 per cent.

Mr. Wildman: I hear the member for Grey (Mr. McKessock) say, "It is nice that it has come down to 10 per cent." I suppose we can thank the American congressional elections for bringing down those interest rates, because the government in Ottawa does not have any policy independent of the Reagan administration on interest rates.

Unfortunately, because of that policy of following the American lead, we have brought upon ourselves the worst recession—it is almost a depression—that we have had since the Second World War. It is going to take us a lot longer

to get out of it than it will take the Americans, unfortunately, because the government in Ottawa has nothing to offer, no economic leadership whatsoever.

Unfortunately for the farmers and small businesses of this province, this government is unwilling to do anything independently to try to bring relief from the drastic effects of the federal government's policy. We have a situation where it brings in resolutions that do nothing about the main problems it faces.

Mr. McKessock: On a point of privilege, Mr. Speaker, I feel my privileges as a Liberal have been abused. The member has said that the Liberal government has caused the inflation rate to rise; yet when it drops to 10 per cent, he gives the credit to Ronald Reagan.

The Deputy Speaker: You are not in order.

Mr. Wildman: On that point of order, Mr. Speaker: I point out to you that it is impossible to abuse the privileges of a Liberal.

The Deputy Speaker: Your time has expired.

Mr. Wildman: I support this resolution because we should be trying to increase exports, but it does not deal with the real problems of the agricultural industry, which are import replacement and the interest rate policy that is killing farmers in Ontario.

Mr. McNeil: Mr. Speaker, I want to thank the honourable members for their support. I have never said the resolution would solve our farm problems. I did not expect that kind of interpretation would be taken.

I do not agree with the member for Welland-Thorold that one can sit at home and do nothing about selling. I think one has to get off one's butt and sell. I cannot believe he would take the attitude that we would sell this produce anyway, regardless.

I appreciate the kind remarks of my friend the member for Kent-Elgin (Mr. McGuigan), because he does represent a very good agricultural part of the county of Elgin.

One of the problems being faced with respect to the support for Canagrex is the fact that the buying and selling will be left in the hands of bureaucrats. In this province, we believe the government should act as a catalyst. We have been trying to help companies, individuals and marketing boards to sell. That is the policy we support, and I think it is similar to the policy the federal Progressive Conservatives are supporting.

We believe in import replacement. Through the Board of Industrial Leadership and Development, we have been giving grants to compa-

nies that will manufacture tomato paste. That is one import we can replace. We have been importing a lot of tomato paste from outside the country and it is possible to produce that here. That is one of our policies.

We also believe in Foodland Ontario and in encouraging the consumer to buy good food that is grown in Ontario. That policy is working. The opposition says we do nothing. We have done a great deal for the farmers of this province.

4:50 p.m.

EMPIRE-BUILDING CONTROL ACT

Mr. T. P. Reid moved second reading of Bill 165, An Act to control Empire-Building in Government.

The Deputy Speaker: I would like to bring to your attention that you have up to 20 minutes. If you would like to reserve time, please bring it to my attention.

Mr. T. P. Reid: Mr. Speaker, I intend to reserve the last two minutes of my remarks to wind up.

In rising to ask for the support of the House on Bill 165, An Act to control Empire-Building in Government, I think it would be useful if I spent a few minutes explaining just what empire building is. Various people have asked me in the last little while exactly what I meant by empire building. I can assure members it has nothing to do with the Empire State Building in New York.

I would like to give a couple of definitions and explain exactly what I mean by empire building within government. When I speak of the government, I also mean the emanations of government, including agencies, boards, commissions, crown corporations and so on, which we have seen proliferate in Ontario.

As part of the public administration lexicon, the term "empire building" is closely associated with sprawling bureaucracy, but there are also a couple of dictionary definitions that might put it in an even better context. In the modern bureaucratic context, Webster's defines an empire builder as "one whose aim and achievement is the extension of his control (as financial or political) over a large territory or an extensive enterprise or related enterprises."

The Oxford dictionary goes a step beyond this general definition by describing an empire builder as "one who deliberately acquires extra territory, authority, etc., especially unnecessarily."

What we are talking about simply is the extension of government control and govern-

ment jurisdiction over the people, in our case of Ontario, and the way it is done.

To give a more concrete example, it is simply a bureaucrat or in many cases a cabinet minister who will take over a ministry and decide that he does not have enough public attention, that there are not enough employees to make him look good, that he or she does not have a big enough budget and, by God, will do something about that. They expand the tentacles of their power and authority over a much wider area than the original legislation ever envisaged.

I have some specific examples of these, but I would also call to the members' minds that a few years ago a book was published by C. Northcote Parkinson, called *Parkinson's Law*. He started off with a simple observation. He said, "It is a commonplace observation that work expands so as to fill the time available for its completion." He went on to talk about a couple of factors that had something to do with this observation. The first factor was that an official wants to multiply subordinates, not rivals, and the second factor was that officials make work for each other.

There are some other articles dealing with Parkinson's law. Parkinson's first law is, "Work expands so as to fill the time available for its completion." Parkinson's second law is, "Expenditure rises to meet income." Parkinson's third law is, "Expansion means complexity and complexity decay or, to put it even more plainly, the more complex the sooner dead." I do not think that always happens.

There is Parkinson's law of a thousand: "An enterprise employing more than 1,000 people becomes a self-perpetuating empire, creating so much internal work that it no longer needs any contact with the outside world." I suggest those of us who have been around this chamber for some time can think of a great many examples of our own.

It is interesting that in this context Barry Goldwater said, "A government that is big enough to give you all you want is big enough to take it all away."

"Some anthropologists speculate that once the naked ape developed carnivorous tastes he formed hunting groups because the one-man mammoth approach was one-sided. Obviously the work group survived quite well—too well. Subunits within organizations stake out territories, not through natural evacuation along the perimeters but through a blend of personal and bureaucratic effrontery. It is an organizational malady. Provide anyone with an office or a title

or someone to evaluate, and presto, instant empire. The sum total of these many empires equals systematic inertia.

There is another law that may not be quite as well known as Parkinson's law. It is called Wicker's law: "Government expands to absorb revenue and then some."

Since the Speaker is an avid TV watcher—including the Polka Dot Door, for those of us who have small children—I am sure that he has seen the excellent British Broadcasting Corp. program *Yes, Minister*. He will have been delighted by some of the things that have come out of that. It is based on the Crossman diaries, which I have perused to some extent.

Crossman was a British member of Parliament and Minister of Housing at one point. He wrote three diaries that were the basis of this program *Yes, Minister*, which deals with how the bureaucracy manipulated this particular cabinet minister and the government as a whole.

In one segment the new minister, Mr. Hacker, was trying to get a handle on the bureaucracy in government. When he became minister, he stated that one of his jobs was going to be to cut down. I would just like to quote from part of the book called *Yes, Minister*, which is now out. Some of the events that went on were so true to life that anybody involved in the political process would recognize it as being very true to life.

Hacker is questioning his deputy minister about how many civil servants there are in his ministry.

"'How small?' I asked, and receiving no reply, I decided to hazard a guess." He was talking about how many employees there were. "'Two thousand? Three thousand?' I suggested, fearing the worst. The reply from the deputy minister was, 'About 23,000, I think, minister.' I was staggered. 'Twenty-three thousand people in the department of administrative affairs—23,000 administrators all to administer other administrators? See how many we can do without.' 'We did one of those last year,' said the deputy minister blandly, 'and we discovered we needed another 500 people.'"

He goes on. "The public is fed up with this waste in government and wants an accounting and wants it done away with," Hacker says to his deputy minister. "The public," says the deputy minister in a bit of a Freudian slip, "do not know anything about wasting public money. We are the experts."

He goes on to say about the deputy minister: "Asking the deputy minister to slim down the

civil service is like asking an alcoholic to blow up a distillery."

Even those who come in here and reach that elevated station of being a cabinet minister get manipulated by the system and by the civil service sooner or later. The civil servants in Britain, and I am sure it is probably the same here, have a term they use when a minister begins seeing things the way the civil servants want him to see them. They then say that the minister has been house-trained. I think it is safe to say that in this particular government, almost all the cabinet has been house-trained.

Let me give the background to some of this. When I came into this House in 1967, the provincial budget was just a little more than \$1 billion; I think it was \$1.2 billion in 1967. There were approximately 30,000 civil servants at that time. Today, 15 years later, in 1982, without projecting what the deficit ultimately will be, we have a budget of \$23 billion and we have more than 80,000 civil servants. Again it depends on how one counts, what that figure is, just how many there are.

I want to give the House some specific examples of what I am talking about. We have Ontario Hydro, and I intend to talk about them at some length. We have the Ombudsman. What the Ombudsman is doing is quite interesting considering there are as many employees in the Ombudsman's office as there are now members and at salaries that would make almost anybody twitch when they look at them to see what exactly they are.

5 p.m.

Let me just tell members that the salaries for secretaries range from about \$16,000. Let us take regional directorates, of which there are six. The director's salary is \$49,500. The area manager's salary is \$38,000. There are two investigative directors, and they are in the \$52,000 range. There are four assistant directors, and they are getting \$39,000. If one looks at controller directorates, whatever they are, the director gets \$51,000. It goes on and on. I can assure you, Mr. Speaker, that I was one of those who supported the concept of Ombudsman. I was on the select committee and, frankly, I do not think any of us had any sense that we were going to be building an empire for the first Ombudsman, who had everything done up very nicely in crests and all the rest of it.

The Ministry of Energy was started in 1974, at which time there were 36 people on the payroll and the budget was \$1,618,000. In 1982-83, there are 212 people, 175 if we exclude the Ontario

Energy Board, which I think we should, and their budget is \$128,765,000. This is the classic case of empire-building because of that \$128 million, \$64 million goes to pay the interest and principal—the principal being a small part of that—for Suncor. I cannot think of a grosser example of bureaucracy run rampant, of egos expanding and saying, "We really have to have something to do and, by God, we will buy an oil company and then we, Malcolm Rowan and Billy Davis and Bobby Welch, will really be somebody." That is a prime example of what I mean by empire building.

I could stop right there and I say I have made my case. I could also say that in 1974, when it started, the Ministry of Energy did not have public relations and information officers. Now it devotes much of its time to that. I would just like to bring to the attention of members what happened in the public accounts committee when we dealt with this very matter. We found, because the auditor brought it to our attention, that the Ministry of Energy in Ontario was spending thousands of taxpayers' dollars in producing a pamphlet on energy tune-up and energy conservation for cars.

Our researcher was able to turn up a brochure from the federal Department of Energy, Mines and Resources and another pamphlet from Shell Canada which were almost word for word. All these high-priced PR people in the Ministry of Energy did was to take the federal brochure and Shell's brochure, take their logos off, stamp on "Province of Ontario" and there they were, earning their \$45,000 and \$50,000 salaries to the detriment of the taxpayers of Ontario.

The Acting Speaker (Mr. Cousens): There are five minutes left of the 20 minutes.

Mr. T. P. Reid: Thank you, Mr. Speaker. I am afraid that I have so much material and so many examples here I will not be able to use them all.

In 1974, I asked about the public relations and information officers. In 1977, I asked again. In 1982, I asked again. A comparison of those figures would stagger you, Mr. Speaker. You know yourself that the government not only is spending millions of dollars in employing these people, mostly to make cabinet ministers look good, but also we spent an additional \$40 million on hard advertising that these people thought up.

I will give another example related to this. We heard my friend who was speaking on his agricultural motion earlier talk about the Board of Industrial Leadership and Development program. There is another classic example. I recall

to everybody's mind the picture of the Minister of Health (Mr. Grossman) and the Treasurer (Mr. F. S. Miller) on the front page of BILD trying to elbow each other out of the way to see who was going to get credit for this ever-expanding proposition. The only thing BILD has done that anybody knows about that was not being done already, was not already in the works, is to put up thousands of signs all over Ontario saying "This is a BILD project."

The same thing has happened with the Ministry of Northern Affairs. They do some good things, but essentially they set up an empire there so that we have somebody who will deal with agriculture, somebody who will deal with television and communications in the north, somebody who will deal with roads and somebody who will deal with natural resources when we already had ministries to do those things. Of course, if you want to build an empire you just say: "I am going to tell you what to do even though I know not the first thing about road alignment or where roads should go. We are going to build up our empire."

We could even talk about the cabinet and the fact that we have 29 cabinet ministers. We could talk about the fact that we have some Ministers without Portfolio. We could talk about the fact that they have to have large staffs and executive assistants, that we all have to have these perks to expand our own field of jurisdiction and power and to assuage our own egos at the expense of the taxpayers of Ontario: 29 cabinet ministers in a House of 125, all with special assistants and executive assistants and all the trappings of power.

We could also talk about what has happened in school boards and in hospitals. We could talk about universities and tenure and all of that. It is all part of this whole spectrum of empire building. We could talk about the 700 agencies, boards and commissions that have just grown like Topsy, and until 1978 this government did not even know they existed. Of course, part of their reason is that it is a smokescreen so the government can pretend they are not really interfering with people's lives, that they are really running a small government; but it is costing us greatly and very little is being done about it.

The most horrible example, of course, is Ontario Hydro. If we go back to 1948, when figures were first kept on the employees in Ontario Hydro, there were 6,000. Now we have 30,850 employees at Hydro. The total head office staff is 5,141.

There is a press release on this. Let me just quote a couple of figures. To put things into perspective as far as Hydro goes, during a time when there was a 4.8 per cent increase in peak electrical demand—that was between 1976 and 1981—there was at Ontario Hydro a 27.9 per cent increase in total staff, a 39.3 per cent increase in head office staff and an 86 per cent increase in square feet of office space occupied. If we look at their salaries, the average base salary for Hydro's 24,251 permanent employees is \$31,118 this year, up approximately \$4,000 from 1981, an increase of 14.75 per cent. If we throw in the benefits package, it comes to a cost of \$40,112.

The Acting Speaker: The honourable member has exhausted his time.

Mr. T. P. Reid: Mr. Speaker, I do have some time left and I will continue.

The Acting Speaker: No, you had 20 minutes. I gave you notice at five minutes and then two minutes.

Mr. T. P. Reid: You mean that's it?

The Acting Speaker: That's it.

Mr. T. P. Reid: I am sorry, Mr. Speaker. In that case I would just ask that the House support this bill so that we can finally do something for the taxpayers of Ontario.

5:10 p.m.

Mr. Grande: Mr. Speaker, I rise to oppose this piece of noxious and dangerous legislation that is before the Legislature this afternoon. I listened intently to the member for Rainy River and he did not speak at all to the basic principle of the bill; and the basic principle is that it is nothing but a witchhunt. The bill is called An Act to control Empire-Building in Government but could very easily be called an Ontario inquisition act.

In the few minutes that I have I will show how this piece of legislation is dangerous. The member for Rainy River did not talk to it. For 20 minutes he talked about empire building in relation to ministers of the crown and agencies, boards and commissions. Nowhere in this bill, as I read it, does it speak to the empire building engaged in by ministers of the crown in Ontario.

He talks about the public service, or part of the public service; the staff, or part of the staff of a crown agency, board, commission or corporation. In other words, through this bill he deals a blow at the people who work in these bodies. He does not deal a blow at the empire builders: the board of directors or board of

governors of these agencies, commissions and boards, those Tory has-beens and Tory hacks who want to build their empires and spend more and more money as time goes on. He does not say that in the bill. He did in his speech, but in the bill he talks about staff, or part of the staff.

Mr. T. P. Reid: No, no; read the bill. Mr. Speaker, on a point of order, it will probably save the member time if he would read the bill.

The Acting Speaker: The honourable member will have read it.

Mr. T. P. Reid: It does not refer to anybody in particular. If he would read subsection 2(2), in particular, he will see it refers to anybody who does it.

The Acting Speaker: No, that is not a point of order.

Mr. Grande: The member for Rainy River says read the bill. I assure the member that I did read the bill—

Mr. T. P. Reid: The member should have read his own bill last week.

Mr. Grande: —and I know exactly what intention the member has in this bill. It to establish an inquisition in Ontario.

Subsection 2(1) says, "The public accounts committee may of its own motion investigate any instance of apparent empire-building." He uses the word "apparent." In other words, there need not be just cause. All that is required is that a member of the staff of a ministry or of a crown agency, etc., appears to be involving himself or herself in empire building. Then that person would be dragged before the public accounts committee and the inquisition would begin.

By the way, Mr. Speaker, you do know who sits as chairman of the public accounts committee; none other than the member for Rainy River. It appears to me that what the member for Rainy River is attempting to do through this bill is to establish his own empire.

I am not concerned about what the member wants to do. What I am basically concerned with in this legislation is that the rights of people in this province, whether they be public servants or workers with crown agencies, be preserved and that their civil liberties be preserved. I will not allow anyone to establish an inquisition so that these people can be weeded out.

The member for Rainy River almost wants to establish himself as the Grand Inquisitor during the Spanish Inquisition. Tomas de Torquemada, who was the Grand Inquisitor for 15 years, appointed by Queen Isabella, did not need any

rhyme or reason for seeking out people and getting rid of them, to seek out the infidels.

The member for Rainy River says, "Seek out those members of the staff in the boards and commissions who are attempting to do their empire building and without any reason whatsoever drag them before the public accounts committee, and the public accounts committee after an investigation has the enormous powers of suspending, disciplining, reprimanding and dismissing."

It says to me that the member for Rainy River is not simply content—and I know that this is private members' hour so therefore it does not represent the Liberal Party of Ontario—in terms of his party's support for Bill 179, which takes away the basic human rights of working people in Ontario; he is not satisfied only with the ripping of their contracts which had been negotiated in good faith, he is not satisfied only removing workers' rights to bargain and negotiate.

Mr. Boudria: Are you speaking to the bill?

Mr. Grande: I certainly am. I am trying to say, if they do not understand, that the principle of this bill is none other than the same principle of the Spanish Inquisition of 1480 back in Spain.

Interjections.

Mr. Grande: God knows, I listened to the member for 20 minutes and I am sure he can restrain himself and listen for 10 minutes. Maybe he cannot.

This bill hits the wrong target. It hits staff, it hits the public service. Why does he not read his own bill and find out what that bill says?

What this bill should be hitting is exactly the kinds of things that he talked about in his speech; it should be hitting at the board of governors of these particular boards and agencies who are the empire builders. It should be hitting at Hydro, that public institution which this government is unable to control and which has got out of control. This bill should be hitting at the Workmen's Compensation Board, where many injured workers in the last 15 to 20 years have hit their heads against a brick wall in attempting to establish their claims, because the top bureaucracy in that board will not recognize their claims.

The Acting Speaker: The honourable member has exhausted his time.

5:20 p.m.

Mr. Grande: My time is exhausted. If the member for Rainy River wants to establish the Ontario inquisition, I am not going to be a party to that establishment.

Mr. Robinson: Mr. Speaker, may I say at the outset that, while I may not be able to support many aspects of Bill 165, I do not have the ability to see it particularly as a witchhunt or an inquisition as my friend the member for Oakwood (Mr. Grande) may. Just the same there are some—

Mr. Boudria: You do not have the imagination or the time.

Mr. Robinson: As the member for Prescott-Russell (Mr. Boudria) points out, perhaps my imagination is not quite that vivid or perhaps my sense of history and interpretation of it does not follow quite the same line. I think it is uncharitable to say that to the member for Rainy River, who is a respected veteran in this House regardless of the fact he may at some point, in leading that great Liberal-Labour movement in northern Ontario, have somehow branched off from the mainstream of his party to take up his own special place in the ranks. Having said that, I do not think he is out to build his own empire as a result of this bill.

He gave us some interesting dictionary definitions of exactly what an empire is and what an empire-building situation is. I would remind him if he wants to talk about the conduct of the ministry or of other agencies, boards and commissions—

Mr. Boudria: Blame the feds.

Mr. Robinson: That member is going to be disappointed because I was not going to blame the feds—

Mr. Boudria: I am shocked.

Mr. Robinson: —but now that he has mentioned it, now that he has raised once again that thorny issue—as time is limited, I will overlook the opportunity to blame the federal government and just say the decision about the style of a ministry and who runs a ministry is a political decision. It is not a civil service decision as such.

I have read the bill thoroughly and I hope the member for Rainy River will agree with me. It talks about an investigation under subsection 2(2), “Where, after conducting an investigation under subsection 1”—which is the one above—“the public accounts committee is satisfied that a person has engaged in empire-building. . .”. I like to think of myself as being as nonchauvinistic and as liberated, with a small “I”, as the rest of us and I understand in 1982 what the word “person” means, but it seems that could just as easily be replaced by the word “minister.” I am sure the member for Rainy River is not suggesting under Bill 165 that ministers of the crown should

appear before a committee and accept they should be “dismissed or be suspended, disciplined or reprimanded” for whatever their activity may have been.

Mr. Nixon: I think that sounds like a good idea. What’s the matter with that?

Mr. Robinson: I know the member for Brant-Haldimand-Oxford-Norfolk and everywhere else thinks that—

Mr. Nixon: Power to the people.

Mr. Robinson: —would be a particularly acceptable suggestion; however, I am sure the member for Rainy River would not in good conscience share that thought.

I note we talk again about the differences and the numbers that are changing in the civil service. I will be more specific about those in a couple of minutes. With regard to the shift in the civil service and the fact one ministry has grown, I think the member conveniently overlooked that in that growth process there has been an equal and opposite shrinking process in other places.

Of course, it is fair to say in 1974 the Ministry of Energy contained a mere handful of people. It is also fair to say that basically in 1974 the world had not experienced the high profile that energy has taken on everywhere during the past eight years.

Mr. Boudria: The world didn’t know about the Suncor purchase either.

Mr. Robinson: I do not think that anybody who wants to follow that argument through could possibly recognize that, while some priorities in our changing society may tend to take on less prominence at one given time, there are other areas that come right along and take their place and demand an equal or greater amount of attention.

Not being able to call it a witchhunt, I thought it would be something of a fishing expedition for him effectively, by his own definition and by the terms of the bill, somehow to link Suncor to the debate although I know the official opposition likes to bring that up at every possible turn. That should prompt some comment across the way without my even having to look up.

I also found it a little difficult that they were able to bring in the size of the cabinet as if that somehow had an effect on the bill. I am not saying one cannot make that a legitimate argument, perhaps in another forum, but not in terms of Bill 165 in my limited comprehension of it.

On the Board of Industrial Leadership and

Development program, again reading this through carefully, I cannot see any way the BILD program would have a person engaged in empire building and then have that person disciplined, reprimanded or somehow shot at sunrise under the provisions.

I want to talk briefly, in the limited time available in this debate, about exactly what has happened in the civil service during the past few years. The deputy minister is responsible in an overall way for the administrative level but, as I said earlier, it is the minister who makes the political decisions. The deputy minister simply makes the adjustments to fulfil those political priorities, whatever they may be.

I am sure many members of this House will remember most specifically that in 1975 measures were tabled from the Ontario budget of two days earlier so that all public service competitions were halted until such time as there was a major reduction in the complement of civil service staff in Ontario. There was a ban on the advertising of positions.

That position was strengthened further in 1977 when a temporary suspension was placed on external recruitment for group 1 classified staff. I am sure those who have been around here even longer than I recognize that most positions in the Ontario civil service fall into that category. Since that time, there has continued to be a significant reduction in the number of civil servants in Ontario. It has gone down year in and year out.

Even the number of executive positions has declined. The member for Rainy River would have us believe it was otherwise. In fact, the number has declined from 689 in January 1976 to the current number of 596 positions. That is a significant decrease.

Mr. Nixon: How many contract positions?

Mr. Robinson: We will get to that, do not be impatient. We will touch on that as we go along.

Mr. T. P. Reid: Are you going to talk about Hydro too?

Mr. Robinson: I gave the member for Rainy River a chance and I am sure he wants to hear whatever wise comments I might be able to offer as well.

If we look at the composition of those positions at that time, as the whip might say, there were 29 deputy ministers, 54 assistant deputy ministers, 91 executive directors or their equivalent and 426 directors or their equivalent. Today, there are 30 deputy ministers, an increase of one; 57 assistant deputy ministers, an increase

of three; 86 executive directors or their equivalent, a decrease of five; 423 directors or their equivalent, a decrease of three.

Mr. Nixon: How many public relations officers?

Mr. Robinson: I do not have that information here, but I know from looking at the Order Paper day in and day out that Her Majesty's loyal opposition is currently and in an ongoing way seeking to have exactly those facts. I am sure they can be presented in a more glamorous fashion than I might be able to guess at this time.

The numbers have gone down despite the fact that there has been an increase in the number of ministries overall, created by the change in alignment we had somewhat earlier this year.

In the very limited time I have left, and by my reading it is about two minutes—

Interjection.

Mr. Robinson: Thank you. I will continue for that amount of time.

The figures of the total civil service are the ones that really count.

Mr. Mancini: That is distorting it and you know it.

Mr. Robinson: We do not want to talk about the fact that the member was not making use of the public transit that was available to him today. In fact, he wanted to enhance the taxi industry in Toronto. We were not going to mention that and I will not be diverted to that today.

In March 1975, there were 87,109 employees of the public service. That correlates to one bureaucrat or one civil servant for each 94 citizens. In 1982, the figures are much different because the total number of civil servants has fallen by more than six percent, to a meagre 81,826 positions. More important, that means that each civil servant in Ontario now serves 106 citizens, an increase in pure efficiency in the civil service of 13 per cent.

Finally, let us talk about agencies, boards and commissions for a minute because I know the members opposite are eager to hear about them. They have been sunsetted. In the past six years, 39 have been reviewed and nine of them have been sunsetted out of hand by the Management Board of Cabinet.

The procedural affairs committee continues its extensive review of agencies, boards and commissions, and continues to make recommendations to this House, as recently as a week ago, as in its previous report, again calling for more sunsetting as time goes by.

I think I have a grasp of what Bill 165 is

attempting to do. I think I have a grasp of the language of it and also of the intent of the member for Rainy River. If there were clear-cut examples of genuine empire building within the Ontario Civil Service or within its agencies, boards and commissions, then we would be the ones bringing in that kind of legislation.

The people of Ontario want a leaner administration, as do all Canadians, almost as lean as I am becoming even as I stand here speaking today. We will not talk about inches, we will not talk about the fact that this suit is almost double-breasted now. If there were examples of empire building here in Ontario, we would be the first to bring in the legislation to curtail it. At this time, we do not see it and we are not able to support it.

5:30 p.m.

Mr. Boudria: Mr. Speaker, it gives me great pleasure to rise and speak in favour of Bill 165, An Act to control Empire-Building in Government.

Mr. Nixon: Tell them how they did it in Ottawa.

Mr. Boudria: First of all it would be interesting to note, as my House leader has said, that for a number of years I was in the employ of the federal government—as a matter of fact, I was there for 14 years. Having worked as a public servant for a number of years, believe me, I know that such a thing as empire building does go on, in spite of the fact that the New Democratic Party wishes to ignore it and the Tories refuse to believe that anybody who is employed by their government, including they themselves, does such things. It goes on here in Ontario; it goes on at every level of government, and we have to create structures that will make the system more accountable to the public.

Surely there must be occasions when each and every one of the back-benchers on the government side would like to sit on a public accounts committee and question those things that are really unfair, those government expenditures that waste government moneys and waste their own constituents' money. They should be willing to stand up and fight for their constituents, not protect the cabinet ministers in front of them.

I could not let the occasion go by without commenting on the remarks of the member for Oakwood. The honourable member said this bill was dangerous, insinuating that it was dangerous for members of this Legislature to review certain spending policies of the government. What is dangerous in members of this

Legislature trying to identify whether funds are spent properly, whether we are getting the maximum return on the dollars our taxpayers are spending in this province? There is nothing dangerous about that. It sounds to me like a very fundamental principle of democracy.

The member for Oakwood started to tell us that we are attempting to accuse individual public servants—"individual ordinary workers," I believe, is the term he used—of building empires themselves. Mr. Speaker, surely you know that staff do not build empires; managers do. There is nothing for an individual worker to gain by creating an empire; managers gain from those types of things.

Managers are not what the member for Oakwood was talking about, but that is what we are talking about: people in positions of influence in the government who create empires to enhance their prestige and to create situations where they in turn will have more power, more salary, more staff and more people to help them do their work.

It feeds on itself, and, believe me, having been in the public service for 14 years, I have seen it. It goes on here, it goes on in Ottawa and it goes on at every level: at the municipal level and at the school board level, as the member for Rainy River has explained.

The member for Scarborough-Ellesmere (Mr. Robinson) was telling us that there really is no empire building. If that is what he believes, he is not looking very well at what is going on in this province. If he does not believe that the number of public servants is increasing, directly and indirectly, he surely was not here the other day when we discussed the estimates of Management Board. He surely was not here when we discussed the number of contract positions and all these types of things that we see handed out in order to decrease the number of public servants artificially while it increases in fact. And although the number of public servants that the honourable member quoted is technically correct, it can be misleading to believe that this number tells us we have fewer public servants now than we had a number of years ago.

There may be members who have problems with the public accounts committee doing this type of review. What would be a better committee to oversee the public expenditures? There is no better committee than the public accounts committee. It is one of the most effective committees, I would say the most effective committee, in this Legislature. It has performed a very useful function. It outlines deficiencies in

spending and empire building is a deficiency surely, whether or not it is admitted that it exists in this government. If it did exist, assuming one does not admit it does, empire building should be controlled and should not be allowed to happen. Even acknowledging what the member for Scarborough-Ellesmere said, that there is no such thing in Ontario, would he not want the public accounts committee to ensure that it never happens, even if he believed what he said? Surely he does not believe what he said; I refuse to believe any member of this Legislative Assembly could be so naive.

Let us look at empire building within this very chamber. There are 29 cabinet ministers, just about every one of them with a limousine, every one of them with staff, executive assistants, special assistants and all kinds of other assistants. There is almost an equal number of parliamentary assistants. I would like to know what the parliamentary assistants—

Mr. T. P. Reid: Sixty-two out of 70.

Mr. Boudria: Sixty-two out of 70 are either ministers, or parliamentary assistants, or chairmen of committees or have other functions. I would like to know what the parliamentary assistant for, let us say, the Minister of Revenue (Mr. Ashe) does. I would like to know what his functions are and just how much time it takes to do them, how much additional help he gets to do them and how much more prestige he has when writing letters to constituents saying he is the parliamentary assistant to the Minister of Revenue.

I do not even acknowledge that the Ministry of Revenue should exist. As a matter of fact, we have decided that the role of critic for both the Ministry of Revenue and the Ministry of Treasury and Economics would be done by one of our members, who would be quite able to perform both functions and would equally be able to be the minister of both these ministries if we were in power. That is probably what will happen once our good leader decides to do that after the next election.

Let us talk again about those parliamentary assistants and just what they do. I have yet to see a parliamentary assistant answer questions in this Legislature on behalf of a minister. I have been here for a year and a half and I have never seen one of them answer questions on behalf of a minister. On two occasions I do remember my former leader trying to get a parliamentary assistant to answer questions and the Premier (Mr. Davis) refused to let him do that. We would not want any of them to ever work for the extra pay they get, that would be totally incorrect. I

suppose that would be almost justification for their existence. I did say almost.

Mr. Runciman: What about your expenses? The highest in the House.

The Deputy Speaker: Two minutes.

Mr. Boudria: It is interesting to hear a member say that my expense account was the highest. That has been mentioned in the past. I was the second highest, but it does not really matter. It does not change much. The government refuses to give such services to my constituents as translation and other things I have to provide for them. I have provided those services, and I do not intend to apologize to government members for giving them the services the government should have been providing all along. I hope that settles the matter in so far as us providing services for our constituents is concerned.

It is not the expenditure in each member's constituency office I am concerned with. It is the empire building within the public service and within this Legislature: 29 cabinet ministers; a whole bunch of parliamentary assistants; staff, limousines and everything else the government members are building for themselves in this Legislature. That is a concern; that is why we need this kind of legislation, to protect the people of Ontario from those empire builders, many of whom are on the government side of this House.

5:40 p.m.

Mr. Charlton: Mr. Speaker, I rise to speak to Bill 165. I will start my comments by saying that many of the sentiments expressed in the speech of the member for Rainy River, as well as those expressed by the member for Prescott-Russell in the speech he just finished, are felt strongly by the members of this party.

The member for Prescott-Russell mentioned that this party seemed blind to empire building. I suggest that he does not listen very well. Certainly he did not listen very well to my colleague the member for Oakwood, who set out some specific empire building problems that he would like to see dealt with; what he suggested was that this bill, unfortunately, would not deal with them. That is the point where I would like to pick up and carry on with my comments.

Bill 165, which we have before us, reflects a political naiveté in the member for Rainy River that I just cannot believe. In his comments he pointed out very eloquently the political culprits across the way and very carefully laid out

several examples of the political culprits that need to be dealt with—Ontario Hydro and the Ministry of Energy, among others—but I see nothing in this bill that will provide the people of Ontario with the protection that the member for Rainy River and the member for Prescott-Russell both talked about.

What protection does this bill provide? The government has a majority, does it not? Does it not control the majority of the votes in this House? This bill talks about the House taking action on references made to it by the standing committee on public accounts. I see no sections in this bill which can get at the Minister of Energy, for example.

Since I have been here, I have believed that we in Ontario had a system of parliamentary democracy based on the British model; that we had a system of political responsibility in which the ministers of the crown were responsible for the actions of their employees, whether as managers, as the member for Prescott-Russell puts it, or whether as workers, as my colleague for Oakwood said, because in both cases they are none the less employees.

Subsection 2(2) talks about recommending dismissal, suspension, discipline or reprimand. This Legislature perhaps has the power to dismiss, suspend or punish an employee, but this bill suggests no amendments that would make that possible. This Legislature has no power at present to punish a minister of the crown or a member of this Legislature for empire building.

I see no amendments in this bill that would provide the appropriate changes in either the Election Act or the Legislative Assembly Act to allow this assembly to deal with the problem which the members so eloquently set out in their speeches. I see nothing here that allows this Legislature to do anything but fire employees; and, fortunately, the members of this House are not employees under any definition outside the Legislative Assembly Act.

This Legislature already has the power to investigate in the public accounts committee, and this assembly has the power to discipline those who act inappropriately in the expenditure of funds, but there is nothing in this bill that changes the balance in a majority government situation. Certainly this bill sets out nothing that can force the Premier of the province to fire a minister or that would allow this Legislature to fire a member for inappropriate action in relation to empire building.

The specific examples used by the member for Rainy River in his speech are all examples

that need to be looked at very closely. There is no question in the mind of anybody, at least on this side of the House, that Ontario Hydro has to be brought under control. There is no question in the mind of anybody on this side of the House that actions that were taken by this government, like Suncor, have to be brought under control. But there is nothing in this bill that accomplishes that.

There is nothing in this bill that does anything other than give this House the right to fire an employee. That misses the mark and the problem, because there is no employee in the public sector in Ontario who, although he may be involved in empire building, is responsible for it. The minister of the crown is responsible.

The member for Prescott-Russell went to great lengths to talk about his own experience in the service. Do the honourable members honestly believe there is any public servant anywhere who can empire-build without the knowledge of his minister?

Mr. Boudria: You are pretty naïve if you believe the opposite.

Mr. Charlton: There is no public servant anywhere who can empire-build without the knowledge of the minister for whom he works. The responsibility has to lie with the minister of the crown and with the government, not with the employee who does something at a minister's direction.

As I suggested, we can hardly agree with the sentiments that were expressed by the member for Rainy River. This bill totally misses the mark, deals with the wrong problem and misses totally the problem that has to be dealt with, which is the ministers of the crown across the way and the political structure under which we operate, because it is the politics and policies that emanate from those politics which create the empire building in the first place and not employees who are hired to do specific jobs.

Mr. Williams: Mr. Speaker, Bill 165, to some people, can be considered an embarrassment. Some people see it as being full of hypocrisy but, knowing the modesty of the sponsor of the bill, I would not suggest that either of those situations prevails.

In the back halls of Queen's Park, I have heard it suggested that the bill is self-serving. Again, I think modesty of the sponsor would suggest otherwise. His colleague the member for Prescott-Russell had suggested that empire building begins with managers and not the workers, and I think that is a valid point.

The difficulty is perhaps that some of the leading managers we have around here are chairmen of committees. I know the sponsor of the bill would be the last to suggest that he would want to build a bigger empire. I know that he takes great pride, as he should, in the power and responsibility that go with being a chairman of a committee and would be the last who would want to aggrandize those existing powers and responsibilities.

The difficulty and the hypocrisy that some people see in this bill, and I think it is regrettable, is the fact that the very sponsor of this bill would be building an empire the likes of which had never been conceived before in this Legislature. It is regrettable that he happens to be, as has been pointed out by the member for Oakwood and others, the present chairman of a committee.

Mr. Speaker: The member's time has expired.

Mr. Williams: Mr. Speaker, it is difficult to deal with this bill seriously given the apparent conflicts of interest that exist because of the fact that the sponsor of this bill is also the chairman of the committee that he wants to build into an empire unto itself.

5:50 p.m.

AGRICULTURAL EXPORTS

Mr. Speaker: Mr. McNeil has moved resolution 29.

All those in favour will please say "aye."

All those opposed will please say "nay."

In my opinion the ayes have it.

Motion agreed to.

EMPIRE-BUILDING CONTROL ACT

The House divided on the motion for second reading of Bill 165, which was negated on the following vote:

Ayes

Boudria, Bradley, Breaugh, Breithaupt, Bryden, Conway, Cooke, Cunningham, Cureatz, Eakins, Edighoffer, Elston, Epp, Foulds, Kerr, Kerrio;

Mackenzie, Mancini, McClellan, McGuigan, McKessock, Miller, G. I.; Newman, Nixon, O'Neil, Peterson, Philip, Rae, Reed, J. A., Reid, T. P., Roy, Ruprecht, Ruston, Swart, Taylor, J. A., Van Horne, Worton, Wrye.

Nays

Allen, Andrewes, Baetz, Barlow, Bernier, Birch, Brandt, Charlton, Cousens, Dean, Eves, Fish, Gordon, Grande, Gregory, Grossman, Hennessy, Hodgson, Johnson, J. M., Johnston,

R. F., Jones, Kennedy, Kolyn, Lane, Laughren, Leluk, Lupusella;

Martel, McCaffrey, McCague, McLean, McNeil, Miller, F. S., Mitchell, Norton, Piché, Pollock, Ramsay, Renwick, Robinson, Rotenberg, Runciman, Scrivener, Sheppard, Sterling, Stokes, Taylor, G. W., Treleaven, Villeneuve, Walker, Watson, Wells, Wildman, Williams.

Ayes 38; nays 54.

ROYAL ASSENT

Mr. Speaker: I beg to inform the House that in the name of Her Majesty the Queen, the Honourable the Lieutenant Governor has been pleased to assent to certain bills in his chambers.

Assistant Clerk: The following are the titles of the bills to which His Honour has assented:

Bill 91, An Act to revise the Municipal Interest and Discount Rates Act;

Bill 93, An Act to amend the Public Utilities Act;

Bill 131, An Act to amend the Registry Act;

Bill 132, An Act to amend the Land Titles Act;

Bill 145, An Act to amend the Brantford-Brant Annexation Act;

Bill 149, An Act to amend certain Acts respecting Regional Municipalities;

Bill 150, An Act to amend the Municipal Act;

Bill 163, An Act to amend the Agricultural Societies Act;

Bill 164, An Act to amend the Horticultural Societies Act;

Bill 171, An Act to revise the Farm Products Containers Act;

Bill 172, An Act to amend the Ministry of Agriculture and Food Act;

Bill Pr21, An Act respecting the City of London;

Bill Pr30, An Act respecting the City of St. Catharines;

Bill Pr31, An Act respecting the City of Thunder Bay.

BUSINESS OF THE HOUSE

Hon. Mr. Wells: Mr. Speaker, I would like to indicate to the House the business for the remainder of this week and next week.

Tonight we will have a debate on the motion for adoption of the recommendations in the ninth report of the select committee on the Ombudsman.

Tomorrow morning the House in committee of supply will consider the estimates of the Ministry of Revenue.

On Monday, November 22, in the afternoon

and evening, the House in committee of supply will continue and finish the estimates of the Ministry of Revenue.

On Tuesday, November 23, in both the afternoon and the evening sitting we will be in committee of the whole to continue discussion of Bill 127.

On Wednesday, November 24, in the morning the resources development, justice and general government committees may meet.

On Thursday, November 25, in the afternoon will be private members' ballot items standing in the names of the member for Hamilton East (Mr. Mackenzie) and the member for Chatham-

Kent (Mr. Watson), and in the evening the House will continue in committee of the whole the consideration of Bill 127 if required. I hope it perhaps will not be required, but if it is required we have allotted the evening of Thursday, November 25.

On Friday, November 26, in committee of supply the House will begin the consideration of the estimates of the Ministry of Agriculture and Food. This is different from the Order Paper, and a motion to this effect will be put to the House tomorrow or Monday.

The House recessed at 6 p.m.

ERRATUM

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142	5112	1	2	Scarborough Grace Hospital for 65 beds, Scarborough Centenary Hospital for 88 beds, and it goes on and on.

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Ontario

No. 147

Legislature of Ontario Debates

Official Report (Hansard)



Second Session, Thirty-Second Parliament

Thursday, November 18, 1982

Evening Sitting

Speaker: Honourable John M. Turner

Clerk: Roderick Lewis, QC

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LEGISLATURE OF ONTARIO

Thursday, November 18, 1982

The House resumed at 8 p.m.

REPORT, SELECT COMMITTEE ON THE OMBUDSMAN (concluded)

Resuming the adjourned debate on the motion for adoption of the recommendations contained in the ninth report of the select committee on the Ombudsman, 1981.

The Acting Speaker (Mr. Cousens): Does any member wish to participate in this debate?

Mr. Worton: Call for a quorum, Mr. Speaker.

The Acting Speaker ordered the bells to be rung.

8:06 p.m.

The Acting Speaker: We are resuming the adjourned debate on the motion for adoption of the recommendations contained in the ninth report of the select committee on the Ombudsman.

Mr. J. M. Johnson: On a point of order, Mr. Speaker: I would like to point out that when the quorum was called there were only two Liberals in attendance and not one New Democrat.

The Acting Speaker: Let us restrict points of order to true points of order. Does any honourable member wish to participate in this debate?

Mr. Boudria: Mr. Speaker, if I remember correctly, when we adjourned the debate a number of weeks ago when we were making general comments on this report, I believe I was speaking at the time and that I had almost concluded my remarks. I hope it is not my speaking that has just chased out quite a few of our members; but then again maybe it is.

Mr. Barlow: It is. Do you get the message now, Don?

Mr. Boudria: Do you have a point of order? Interjection.

Mr. Boudria: Oh. As some of my colleagues and various members have mentioned, we have expressed concern in the past about the incidents that have happened over the last few months in relation to the Office of the Ombudsman and some of the disagreements that seem to have occurred.

Mr. Philip: On a point of order, Mr. Speaker:

I do not want to interrupt the speaker, because I know he has some interesting things to say, but now that the Conservatives have all disappeared I notice we do not have a quorum again.

The Acting Speaker: Are you calling for a quorum call, or are you just making an observation?

Mr. Philip: I am calling for a quorum call.

The Acting Speaker: Is there a quorum?

Assistant Clerk: Mr. Speaker, a quorum is not present.

The Acting Speaker ordered the bells to be rung.

8:12 p.m.

The Acting Speaker: A quorum is present.

The member for Prescott-Russell has already had the pleasure of speaking on this motion and so is not allowed to speak a second time.

Mr. Treleaven: Mr. Speaker, when these quorum calls have been disturbing the committees, there is a position being taken by one of the opposition parties that it is the duty of the government to supply the quorum for this House. So that—

The Acting Speaker: The honourable member must realize that any member can ask for a quorum at any time. That is within the rules of the House and that has been done.

I call now for the first member to speak to the issue before the House.

Mr. Treleaven: Mr. Speaker, it is the standing orders—in the justice committee we are under mandatory instructions to carry out our duties—

The Acting Speaker: I am not recognizing the member for Oxford. Is there an honourable member—

Mr. J. M. Johnson: Mr. Speaker, on a point of order: You made a ruling that any responsible member would have to answer a quorum call. I submit that they are not responsible.

The Acting Speaker: We are here to review and continue the debate on the adoption of the recommendations contained in the ninth report of the select committee on the Ombudsman.

The member for Prescott-Russell has already spoken on this. I will not recognize that member.

Mr. Boudria: I had not finished my com-

ments. I moved the adjournment of the debate, if my memory serves me right, and you have previously—

The Acting Speaker: The honourable member has completed his position. On November 4, on page 4936 of Hansard, he says, "In conclusion, I would like to say . . ." and it was the government House leader who moved adjournment of the debate.

Does any other honourable member wish to participate in this debate? The member for

Windsor-Sandwich.

Mr. Wrye: I have to go to committee.

The Acting Speaker: Does any other member wish to participate in this debate?

Mr. Runciman has moved the adoption of the recommendations contained in the ninth report of the select committee of the Ombudsman. Is it the pleasure of the House that the motion carry?

Motion agreed to.

The House adjourned at 8:15 p.m.

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Ontario. LEGISLATIVE ASSEMBLY

No. 148

Legislature of Ontario Debates

Official Report (Hansard)



Second Session, Thirty-Second Parliament

Friday, November 19, 1982

Speaker: Honourable John M. Turner

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LEGISLATURE OF ONTARIO

Friday, November 19, 1982

The House met at 10 a.m.

Prayers.

MEMBERS' PRIVILEGES

Mr. Speaker: Before starting with routine proceedings, I would like to deal with a matter which the member for Riverdale (Mr. Renwick) yesterday asked me to look into regarding his submission that his privileges and the privileges of the House had been abrogated by exchanges across the floor between the Leader of the Opposition (Mr. Peterson) and the Attorney General (Mr. McMurtry).

I must confess that I have been unable to find one of the recognized privileges of the House or of individual members which governs this question. Rather, what the member is alleging is that the exchange offended the sub judice rule and that, of course, is a matter of order, not of privilege. However, what occurred on the occasion to which he referred was that he, the member for Riverdale, interrupted the exchange to raise the sub judice question.

As I stated yesterday, I must rely on the House to provide me with sufficient information to convince me that there is a danger that a citizen's rights in the court of law may be prejudiced. As soon as sufficient information had been brought to my attention, I ruled that the matter could not be further pursued while before the courts. This is, of course, the usual and regular procedure in such cases and I am therefore satisfied that the matter has been properly dealt with and that no further action is open to me.

Mr. Bradley: Mr. Speaker, this morning a brown envelope arrived on my desk and I am sure it was destined for someone else. Inside the envelope was a calendar from the Ministry of Correctional Services. I am sorry the minister is not in the House because I would like to know the cost of producing this particular calendar. In order that I may determine that, I would like to send it to the member for York South (Mr. Rae).

Mr. Speaker: Thank you very much. It was hardly a point of privilege but it was an interesting point.

STATEMENTS BY THE MINISTRY

LICENCE PLATES FOR DISABLED

Hon. Mr. Snow: Mr. Speaker, I am pleased to be able to provide the House today with the final details of my ministry's initiatives to assist handicapped drivers throughout the province and, as a side benefit, make the public more aware of the special needs of these drivers and those who transport them.

As of February 1, 1983, all Ministry of Transportation and Communications vehicle licensing offices will have available our new disabled symbol licence plates, and our privatized outlets will have applications for the plates which can be mailed to the MTC for processing.

The plates will be issued without extra charge to any handicapped person whose mobility is seriously restricted for medical reasons or who requires the use of a wheelchair, crutches, etc., and will replace their current passenger plates. They also will be available to anyone who regularly transports a disabled person.

The purpose of the new plate is to provide an easy means of identifying vehicles eligible for the reserved parking spots which are being offered more and more these days.

While my ministry and organizations representing the handicapped have tried to educate the public on the importance of respecting these parking areas, a degree of abuse still continues. I am certain most of the honourable members here today have seen a reserved parking spot taken by a driver who clearly had no physical need for such front-row privileges.

These plates are a direct response to requests by the handicapped and their organizations to help eliminate this abuse and to accommodate our disabled citizens. They will carry the internationally recognized symbol for the disabled in place of the first two letters of the usual plate.

Any person requesting a disabled-symbol licence plate from my ministry will be required to sign a statement attesting to his or her handicap or the driving services he or she provides to the handicapped on a regular basis.

At the present time, some of our municipalities already issue special handicapped placards or permits. However, changes are needed in

Ontario's Municipal Act so that communities also can recognize the provincially issued plates as giving their owner the legal right to whatever standing, stopping or parking privileges an individual municipality chooses to extend.

I expect these changes will be introduced some time early in the spring session by my colleague the Minister of Municipal Affairs and Housing (Mr. Bennett).

Our aim now is to have all municipalities involved in special initiatives to help our handicapped drivers. That is why last year, during the International Year of Disabled Persons, the need to help these communities devise the necessary bylaw was made a priority project. Now MTC staff have finalized a model parking bylaw to assist municipalities that will be adopting legislation in the future to extend special privileges to the handicapped and/or their drivers.

It is my hope that the municipalities will adopt the major elements of the model bylaw such as eligibility, enforcement and scope; for example, on- or off-street parking, use of no-stopping zones, etc. In this way, we will be extending our disabled drivers the best helping hand possible by creating at least some level of consistency in our laws.

It is, of course, also my hope that municipalities currently without these special bylaws will move as quickly as possible to enact this needed legislation. I will be sending a letter to every mayor and reeve in Ontario within the next two days with a sample copy of the proposed bylaw which we would like the municipalities to consider passing.

Mr. J. A. Reed: That is a good thing the minister has done here.

Hon. Mr. Snow: Thank you.

PUBLIC COMMERCIAL VEHICLES ACT REVIEW COMMITTEE

Hon. Mr. Snow: In May of last year, I announced in this House the formation of the Public Commercial Vehicles Act review committee, which was charged with proposing principles upon which new legislation regulating the trucking industry can be built.

The committee is composed of 24 people whose wide range of experience related to truck transportation assures that all points of view are considered thoroughly. Their productive meetings and wide consultations have done much to advance our understanding of the many issues involved in the regulation of this important industry. In fact, it has progressed to the stage

where it is desirable to have public discussion and comment on their work.

10:10 a.m.

I am pleased to table today the PCV Act review committee's interim report, a Discussion Paper on Responsible Trucking. On reading it, I think members will agree that what the committee is setting forth is a comprehensive new direction for regulation in Ontario as an alternative to the present scheme.

As I do not sit on the committee I have not had a chance to study thoroughly the interim report or the discussion paper. But it seems to me that the report identifies and addresses the problem in a creative and thoughtful way.

The committee's first accomplishment is the way in which it has focused and narrowed the debate by deciding on the fundamental issues at the heart of trucking regulations and by articulating the objectives which follow from them. The first part of the discussion paper spells these out and is an invaluable aid to anyone grappling with this complex question.

Then, the committee has proposed a new conceptual approach, a comprehensive new framework for dealing with the problem of creating realistic legislation.

I cannot pretend to do justice in this statement to the committee's long, hard hours of debate. But I, in my brief acquaintance with the report, have noted several themes which seem to underpin its proposals.

The committee, I am happy to note, is not advocating deregulation, but regulatory reform, in keeping with this government's comprehensive efforts in that direction; but the regulation which it proposes would certainly mark a change in emphasis from the old, or from the present.

The thrust of the proposals appears to be that government should seek to regulate the quality of competition, not the quantity. The committee emphasizes responsible performance in the sense of compliance with the law and with the principles of good business practice.

As I read it, while competition might well be stronger under this new emphasis it would also be a fairer and a more responsible form of competition. The intent of the proposals seems to be to ensure that all competitors comply with the same set of rules and that those rules be realistic enough to make compliance palatable.

The PCV Act review committee has provided an excellent basis for discussion with its interim report, exemplifying the kind of original thinking so necessary in dealing with this complicated problem.

The government believes the current law must be changed, since it is clearly out of tune with the 1980s, and this discussion paper appears to be an innovative approach to that change. I know the committee is looking forward to comment from the people involved with trucking in this province, so its final deliberations can accurately reflect their concerns.

Even when the committee's work is completed, there will be much to do before the recommendations can be translated into legislation, keeping in mind each will require careful examination, since the ability of the industry to adjust to any new scheme is critical to its success, especially for the smaller carriers.

Certainly, it is the government's strong concern that the process of change will minimize any disruption or unfair burdens to existing businesses.

Having now seen the direction of their thinking, I feel confident that the committee will produce a final set of recommendations in April 1983 to which we can all look forward with considerable enthusiasm.

Mr. Speaker: There seems to be a higher level of noise than usual in the chamber this morning. I would ask the co-operation of all honourable members in limiting their private conversations.

ORAL QUESTIONS

Mr. Peterson: Mr. Speaker, before I commence, I wonder if I could have your indulgence to inquire of you or anyone else who may be aware of the presence of the Attorney General, is he coming or is he not coming?

Mr. Foulds: He's in the back room.

Mr. Peterson: May I request your permission, Mr. Speaker, if he does not show up by our second question, to stand down our second question so we could address some questions to him?

Mr. Foulds: Here he comes.

Mr. Peterson: Here he is; good.

SALE OF RENTAL UNITS

Mr. Peterson: Mr. Speaker, I will start with a question for the Minister of Consumer and Commercial Relations. The minister is aware that Mr. Williams, the chairman of the Residential Tenancy Commission, announced on Wednesday in committee under questioning that he had formed a special SWAT unit of the Residential Tenancy Commission to co-ordinate any information on applications from some of the companies involved in the great compli-

cated series of transactions, looking particularly at the names of Greymac Credit, Kildarkin Investments, Crown Trust or Seaway Trust, in order to co-ordinate—

Mr. Bradley: Did the Premier find that in a brown envelope?

Hon. Mr. Davis: No, as a matter of fact it came in a box and it wasn't \$200 either.

Mr. Speaker: Proceed with your question, please.

Hon. Mr. Sterling: Mr. Speaker, on a point of order: As a member from eastern Ontario and an avid Ottawa Rough Riders fan, I would ask you to rule whether the Premier's attire this morning is in tradition with parliamentary rules.

Mr. Roy: Mr. Speaker, on a point of privilege: I would join the sentiment of my colleague the member for Carleton-Grenville (Mr. Sterling) and say to the Premier and to you, Mr. Speaker, if he walks into the House this week with this jacket on, is he prepared to walk in with an Ottawa Rough Riders jacket on after their win this weekend?

Hon. Mr. Davis: Mr. Speaker, if I could reply to that point of privilege: I assure the member that if by some remote possibility Ottawa wins on Sunday, which is extremely remote, I would be delighted if he would give me an Ottawa Rough Riders jacket. I would be prepared to wear it here next Friday morning.

I would also say in responding to the point of order raised by my good friend and colleague on this side of the House that I am pondering a cabinet shuffle at this moment.

Mr. Speaker: In answer to the original point of order raised by the Provincial Secretary for Justice, I have to say that nothing is out of order. I would further say that if he or the member for Ottawa East (Mr. Roy) feels threatened, I would be happy to see them come in with the appropriate attire if they so wish.

Mr. R. F. Johnston: Does this not constitute a demonstration?

Mr. Speaker: No, it does not. There is no message contained. Now back to the Leader of the Opposition with his first question.

Mr. Peterson: Are you quite sure Mr. Dress-Up is finished, Mr. Speaker? Do they need any more time with the Premier? Go ahead.

Mr. Speaker: This is oral question period.

Mr. Peterson: That is what I thought it was too. That is why I came here this morning. This is an extraordinary day; the Premier is dressed

like that and the member for Ottawa East is here. What more could one ask for?

I assume the Minister of Consumer and Commercial Relations has forgotten the part of the question I asked him because, if he has not, I have. May I repeat it to him?

The minister is aware that on Wednesday of this week, Mr. Williams of the Residential Tenancy Commission announced in committee that day that he would be forming a special SWAT team to co-ordinate all the information on rent applications from a variety of companies, including Greymac Credit, Kilderkin Investments, Crown Trust and/or Seaway Trust.

The minister is also aware that yesterday in the House he announced that the Morrison inquiry into the various trust and loan companies has been expanded beyond just the initial trust companies and will look at Greymac Mortgage also.

10:20 a.m.

It appears that we now have four, five, or even six investigations looking at this whole matter from a variety of different angles and each day they are being expanded a little more to incorporate the new and unfolding information in these circumstances.

Does the minister still not believe that it would be far more efficient to have a single judge with a team of investigators looking at all aspects of this series of deals from one point of view rather than from five or six different points of views?

Hon. Mr. Elgie: Mr. Speaker, first, I would say to the Leader of the Opposition that I like to believe we are not operating at cross purposes. May I just clarify a couple of things? It was the Leader of the Opposition who called it a SWAT team, not Mr. Williams. What Mr. Williams said was, "In view of the size of the transaction and the fact that there would be many common issues with respect to the transactions, those who are involved in it should be acting in a co-ordinated way so there would not be a duplication of effort."

With respect to Greymac Mortgage and my indication to the member that it would also be part of the Touche Ross examination, he should recall, and I am sure he does, that Greymac Mortgage is a federally incorporated company. But, in view of public interest in this issue and my concern about the public interest, I asked the superintendent of insurance if, in view of the fact that there was now concern that the sale of Greymac Mortgage might indeed be a part of or

have had some influence on the other transactions, we could not include it in the Touche Ross endeavours. That has been done.

I do not think that I have excluded other options. I have said that in committee and I have said that to the press. What I am really saying is that we are carrying out, with our own staff, a broad investigation. We are carrying out, through the Touche Ross examination under the Loan and Trust Corporations Act, a very detailed audit and examination into the books and general conduct of the business. I am satisfied that those particular types of approaches will give us the kind of information we want. As I said in committee and as I have said to the press, I am not excluding other options in the event information becomes available that requires consideration of other options.

Mr. Peterson: One of the problems with the minister's SWAT team—I guess he is right, I did name it that, whatever he wants to call it; the team that is going to assemble information from the various groups that are requesting rent increases—is that it is going to be some considerable time in the future, it could be six months, before there is a rent application. As a result of that he will not have that information into the pot until that time and it is going to create such a complicated financial omelette that he will not be able to unscramble it. He has to start now to look into all aspects of this deal rather than six or eight months from now.

Is it not true, and would the minister not agree with me, that we have already collectively learned that by delaying, by not getting to the bottom of these matters in the first instance, we are seeing more and more complications being piled on to the heap, compounding the difficulties, and that we will never get to the bottom of it if we do not look at it from one point of view now?

Hon. Mr. Elgie: Again, I really believe we are not talking at cross purposes because I am determined to get to the bottom of it. I think we have to understand what happened. It is my belief that with the Touche Ross examination starting now and with our own full investigative force working on the issues, we will be able to determine whether or not there are reasonable grounds for having the belief that there has been some wrongdoing in these transactions. That is really what we want to get at, isn't it? If we differ on that, then let the member say so, because I am interested in finding out if there is any wrongdoing.

Mr. Rae: Mr. Speaker, could the minister give us his opinion with respect to the Touche Ross auditor appointed under the Loan and Trust Corporations Act? Can he tell us what authority that auditor would have to investigate the books and to cross-examine the directors of Cadillac Fairview, Kilderkin Investments and all the numbered companies when none of those companies comes under the jurisdiction of the Loan and Trust Corporations Act?

Hon. Mr. Elgie: Mr. Speaker, it is my present belief that in their endeavours to determine the value of properties, which is fundamental to this issue and the possibilities that arise from that, and in the general conduct of the business, they will be able to examine most, if not all, aspects of the business. That, in conjunction with our own investigative work, I believe will give information as to whether or not there is any wrongdoing.

Let me give the member my firm assurance that if there is any evidence of wrongdoing I will be looking at options for a thorough inquiry into it. Let us understand that very clearly. I mean that.

Mr. Peterson: What the minister is saying is he needs proof of wrongdoing in order to look into wrongdoing. He wants it both ways in this circumstance.

Interjections.

Mr. Peterson: Of course, he is. That is what he is saying. I suggest to him that there is *prima facie* evidence here, in addition to what we have been talking about in this House today and in the past two or three weeks, that requires a complete and thorough investigation. Let me remind him that this thing is spreading out very substantially.

Is he aware that the tenants at 99 Cartier Road in London, Ontario, formerly owned by Kay Properties, are now making their cheques payable to Kilderkin Investments, and that three other buildings in London—640, 650 and 660 Fanshawe Park Road—have been sold to Seaway Real Property Ltd.? Is that going to be investigated?

I am sure he is aware that two of the directors of Seaway Real Property are directors for Seaway Trust, including one A. J. Reynolds Mastin. Even as we are sitting here today, there are probably more deals being signed and sealed and this is compounding, it is growing and it is getting beyond the minister.

I know this is repetitive, but so are his answers. They are not satisfactory; increasingly

so every day they are not satisfactory. He should look into all aspects of it now to prevent this from growing, because he does not have the power he suggests he has to look into many of the aspects. He does not have that power and we are going to end up with a piecemeal inquiry—unless of course he has something to hide.

Hon. Mr. Elgie: First, let me assure the member I have nothing to hide nor will I be endeavouring to try to hide anything, nor has anyone suggested I should try to hide anything. I want that very clearly understood. If I did not believe that the initial steps we have taken, in terms of the Touche Ross examination and the full investigative capacity of the ministry, including the Ontario Securities Commission looking into other aspects of it, were going to provide us with fundamental information as to whether there has been any wrongdoing, I would not be standing up and saying that I am satisfied with these moves. As I have said very clearly, if as a result of those things other options need to be looked at, I will look at them.

METROPOLITAN TORONTO POLICE PRACTICES

Mr. Roy: Mr. Speaker, I have a question for the Attorney General. I wonder whether he recalls that on November 9, a week ago last Tuesday, he made this statement in the House, which I will read from page 5037 of Hansard:

“As I said earlier, and maybe to assist you, Mr. Speaker, this trial”—the Proverbs trial—“hopefully will end in the not too distant future. I will welcome a very frank exchange with the member for Ottawa East, the leader of the Liberal Party or any other member of the assembly with respect to any comments I have made about this matter.”

Can I ask the Attorney General, as chief law officer of the crown and as the officer whose sworn duty it is to defend the administration of justice, in view of his statements made on various occasions and this statement made just last week, why are we not getting a statement from him as to his conduct in this matter and as to why he has not set up a full, independent inquiry in this matter?

10:30 a.m.

Hon. Mr. McMurtry: Mr. Speaker, I have asked my staff to obtain a complete transcript of the trial as soon as possible, because I want to review the transcript in some detail. Most of what I know about the trial is what I have read in the newspapers or heard through the media.

After reviewing the transcript, I certainly intend to make a statement to this Legislature.

The member for Ottawa East knows this matter apparently is still before the courts. Again, I am relying for the most part on media reports that the accused has announced his intention to appeal the verdict of the jury. Obviously any statement I make to the Legislature will have to take that into consideration.

I have asked that the transcript be expedited. I intend to review it personally, and I certainly wish to make a statement to this Legislature when that transcript is available.

Mr. Roy: Having in mind the Attorney General's answer about obtaining the transcript, which may be wise, I want to ask him why he now wishes to have a transcript before making any comment when on various occasions during the trial—in fact, just on November 4, he made a comment about the police officer's evidence and the background of the accused—he did not have a transcript when he made those comments.

The Attorney General is quoted in yesterday's Toronto Star as saying with some reluctance that he wants to make comments, "given some of the garbage we've heard" during the stock promoter's trial. How can he expect to have credibility in this matter if on certain occasions he makes comments outside the court and now, once the trial is over and he has made an undertaking to the House to comment at the earliest opportunity, he requires a transcript?

Does the Attorney General not understand that by delaying or by attempting today to invoke the sub judice rule when he knows full well the Court of Appeal will be considering law, not fact, there is a perception that, by taking this approach, he is hoping this matter is going to blow over or that time will solve his problem in this matter?

Hon. Mr. McMurtry: I am quite aware of the false perception the honourable member is trying to create outside the Legislature. Notwithstanding that, there is a good deal about this trial that is obviously of interest to me. I used the word "garbage" deliberately. I remind the member for Ottawa East, if he has been following this trial at all, that the accused's own counsel, Mr. David Humphrey, released a memorandum he had sent to the crown attorney prior to this trial, which he made public, in which he himself described as "garbage" the allegations that were made. That was David Humphrey's word.

If the member were attempting to be at all objective about this, he might understand the position of the Attorney General. The trial

judge himself says the Attorney General of this province has been slandered; that means defamatory statements that are untrue. That might be another reason I would like to peruse the transcript. The member understands these things. Let us not play games.

The member probably has never been in the Court of Appeal.

Mr. Roy: I have been in court more than you have.

Hon. Mr. McMurtry: One of the options open to the Court of Appeal is the possibility of ordering a new trial. I cannot discount that possibility. That is why I have to demonstrate some continuing care as to what I say, despite a considerable amount of nonsense coming from across the floor.

Mr. T. P. Reid: You are the man who made the statements.

Hon. Mr. McMurtry: There is nothing I have said that I would not say again. I want to have this transcript and I am going to peruse the transcript. Surely the member can appreciate that is the responsible way to proceed.

Mr. Rae: You've got to be kidding. Would you say that again?

Hon. Mr. McMurtry: You're in the big leagues, junior.

Mr. Peterson: I don't take personally remarks like that.

Hon. Mr. Davis: Not more than half a dozen times a day.

Mr. Speaker: Order. The member for Riverdale has the floor.

Mr. Renwick: Mr. Speaker, if I may have the attention of the Attorney General, my supplementary question is keyed on his use of the word "objective."

A review of his comments as reported in the media with respect to the Proverbs matter and of the exchanges that have taken place in this House on the Proverbs matter raises in my mind, and I am certain in the minds of many other people, a reasonable apprehension that he may well not be able to take an impartial view of this matter when he reviews the transcripts or when he receives the police report.

I therefore ask him by reason of his displayed bias in this matter, in the legal sense of that term, to disqualify himself entirely from having anything further to do with this matter.

Hon. Mr. McMurtry: Mr. Speaker, such a silly statement hardly deserves an answer. No,

the Attorney General of this province is not going to abdicate his responsibility in this matter.

Mr. Roy: Regarding that last statement by the Attorney General, does he not understand that what he is doing is perceived as exactly that, abdicating his sworn responsibility to vigorously defend the administration of justice?

Hon. Mr. Davis: Only in your mind, Albert.

Mr. Roy: The Premier had better stick to the Argonauts this morning.

Mr. Speaker: Question, please.

Mr. Roy: In view of the variety of comments and in view of his strange comment this morning, that he will not retract some of his comments made during the trial about the evidence and the background of the accused, which the Court of Appeal may well have something to say about and which the trial judge has said were unfortunate statements—in view of all this, and in view of the fact that even the chief of police of Toronto is prepared to review procedures as to police conduct, does the Attorney General not feel that possibly it is time to have this matter investigated, not by the Ontario Provincial Police but by someone independent, preferably a Supreme Court judge, to review all aspects and all allegations of this?

Is the Attorney General prepared to undertake this morning to appoint someone to independently review this situation? If he is not prepared to do that and if he is not prepared to make some statement about his conduct, does he not think we should have someone else in the Attorney General's office who is prepared to defend the integrity of the system?

Hon. Mr. McMurtry: As I say, I am not going to be provoked to responding to some very silly, irresponsible statements that have come from the member for Ottawa East. I am simply going to say that I am not going to say anything about this matter until I have a copy of the transcript. I will be quite happy to make a copy of the transcript available to the Legislature; it is a public document. When I have had an opportunity of perusing that, which the member knows full well is the responsible way to proceed, I will make a statement to the Legislature.

SALE OF RENTAL UNITS

Mr. Rae: Mr. Speaker, my question is for the Minister of Industry and Trade. If the Minister of Consumer and Commercial Relations (Mr. Elgie) is correct in saying in his press release of November 4, 1982, that the beneficial owners of the numbered companies involved in the Cadil-

lac Fairview sale are Saudi Arabian investors, can the Minister of Industry and Trade tell us whether he, on behalf of the government, has expressed a view to the government of Canada under the Foreign Investment Review Act as to whether this purchase is, to quote the words of the act, "likely to be of significant benefit to Canada"? Has the minister taken a position on that and, if not, why not?

10:40 a.m.

Hon. Mr. Walker: Mr. Speaker, I would have to presume that any information given by the Minister of Consumer and Commercial Relations in a release on November 4, 1982, is the best information he had available at the time; and that is the best information the government had available at the time. I think the honourable member can assume that as far as he is concerned that is accurate and that as far as the rest of us are concerned that is accurate.

The member would have to ask the minister further questions, but I have read reports of his indication that he is not fully aware because he is acting on the basis of information provided to him. To the extent that information has been accurately worded to him, then that is the information he has supplied. He has qualified any of the observations he has made. The member will have to discuss with the Minister of Consumer and Commercial Relations any of the views expressed there. We would accept the views he has provided and consider them to be accurate.

With respect to the matter of the Foreign Investment Review Agency, this matter was the subject of discussions I held personally with Mr. Lumley in his office last Monday in the course of a number of discussions on other topics. I am not prepared to discuss the purpose of those meetings or to discuss further what transpired at them other than to indicate that Mr. Lumley is having the matter looked into by the Department of Justice to determine whether FIRA is involved. When that information is available to him and once he reports on that, then our position will be somewhat clearer as to whether we will be called upon to make an observation on it.

Mr. Rae: I find it hard to understand how the minister can say the government has yet to take a view when this is a matter affecting 11,000 tenants and property and civil rights in this province. Subsection 9(d) of the Foreign Investment Review Act specifically gives to the provinces the right to make representations as to

whether the investment is likely to be of significant benefit to Canada in the view of that province.

The minister has suggested that I should address my question to the Minister of Consumer and Commercial Relations. When I did that in the committee, he suggested I ask the Minister of Industry and Trade, and that is why I am addressing the question to him.

Mr. Shymko: Why are you yelling?

Mr. Rae: The question is, if I could just complete it, why has the government of Ontario not taken a clear position with respect to this latest transaction affecting 11,000 tenants when the deal is at \$500 million and just a few short weeks before it was at \$270 million? Why has the government taken no position as to whether this is of significant benefit to Canada?

Hon. Mr. Walker: There is something the leader of the third party has to appreciate and fully understand. He knows full well that section 9 requires the matter to be before FIRA before the opinion of the province is sought. We do not go around offering opinions on things that are not within our domain. The issue will be whether it falls within the Foreign Investment Review Act and their purview. That will be determined by the Department of Justice in Ottawa. In that event, we will be asked our opinion and at that time our opinion will be given.

The member seems to be making some observation about certain Saudi Arabians; that seems to be the essence of it. I think he should appreciate that when people are prepared to invest whatever amount of money it is in Canada, he should welcome that and say something about it from a positive point of view rather than asking why those kinds of people should be investing.

We should be proud of the fact that there are people prepared to invest in Canada. If it happens to be Saudi Arabians or Germans or people from any other country in the world, we should be happy that people consider this country a place to invest money. That is the part the member is overlooking. When he starts to realize that and gets rid of the visceral attitude that foreign investment is bad, then for once he will have understood the nature of this country.

Mr. Peterson: Mr. Speaker, given the fact that the minister is right at least about the procedure with respect to FIRA and that the first determination that has to be made is whether this is a reviewable transaction, will he take a strong and clear position that he would like to see the

matter reviewed? It is obviously a matter of some question at present. I assume he agrees with that. Will he use whatever influence he has with FIRA to try to persuade them that it should be reviewed?

Hon. Mr. Walker: Mr. Speaker, let me say to the Leader of the Opposition that I have no intention of advocating to the federal government that it should break the law if the law is not now being broken. The Department of Justice will determine whether it falls within the Foreign Investment Review Act. If it falls within the act, it will be reviewed; so that answers the question. If it does not fall within the act, I will not be a party to advocating that the law be breached.

Mr. Rae: In the light of the second half of the answer to my question, in which the minister indicated he thought that foreign investment was a wonderful thing, can we assume from that answer that he regards the acquisition of literally thousands of units by foreign interests that have no obligations or interest in protecting the interest of tenants in this province as a good thing and of significant benefit to Canada? Is that what he is saying?

Hon. Mr. Walker: Does the member honestly think that all foreign investors are bad? Is that what he is saying? When will his party appreciate that foreign investment is something that this country has been built on for the past century? Foreign investment is what has caused the member and others in this room to have the standard of living to which they have grown accustomed. That is something they are going to have to realize. All foreign investment is not bad.

We measure foreign investment on the basis of behaviour in this country, not on the basis of parentage. We are not interested in which country foreign investors come from. We are interested more in their behaviour when they are in this country. The part we take into account is whether they can conform to being good Canadian citizens. I do not think the member should be casting aspersions on foreign investment or any kind of investment that comes from abroad. Basically that is like saying immigration is bad, and that is not the kind of thing that should be said.

Mr. Rae: On a point of privilege, Mr. Speaker: The minister mentioned something about immigration. I said nothing about immigration.

My grandparents were immigrants. I want to make this very clear.

Hon. Mr. Leluk: Get out the fiddle.

Mr. Bradley: Mine came from Ireland.

Mr. Speaker: Order.

Mr. Rae: In my view, the minister simply cannot get up and make that kind of an aspersions in the course of an answer that has to do with the foreign acquisition of a large number of rental units. It is just not the right thing to do.

RENT-GEARED-TO-INCOME CALCULATION

Mr. Rae: Mr. Speaker, my second question is to the Minister of Municipal Affairs and Housing. Given the decision of the Ontario Court of Appeal in the Timmins case, which the minister will know decided that the Ontario Housing Corp. and the trial judge had erred in law in insisting that income from a Workmen's Compensation Board pension was income and not capital, can the minister tell us why he, his ministry and OHC are refusing to interpret this case as a precedent for other recipients of WCB pensions? In particular, why are they refusing to apply it in the case of Mr. and Mrs. Quesnel in Sudbury?

Hon. Mr. Bennett: Mr. Speaker, a week or so ago the member for Sudbury East (Mr. Martel) asked a similar question. I responded to the effect that this case had been through a great number of hearings. If the leader of the third party will look at the decision rendered in relation to the latest hearing in October, if I recall correctly, he will see that His Honour said very clearly that, this was not to be taken as a precedent in a situation relating to the pensions of the WCB. To me and to the Ontario Housing Corp., which was making the decision, in his judgement that case was somewhat different from the norm.

Mr. Rae: I refer the minister to the decision of the Ontario Court of Appeal in which it is stated quite clearly: "The trial judge erred in giving the word 'income' in the lease agreement between the OHC and the appellant the meaning he did, namely, the amount that comes in each year."

The Ontario Court of Appeal made it very clear that money coming from a workmen's compensation pension is not income but capital, in that it reflects benefits of a permanent nature relating to a permanent disability.

Is the minister saying to all workmen's compensation recipients in Ontario who live in Ontario Housing that they have to get legal aid

and go to court to find justice? Does he not think that justice in the Timmins case means there should be justice in other cases as well?

10:50 a.m.

Hon. Mr. Bennett: I am suggesting that the ruling, according to the legal advice given to me—and I do not pretend to be a lawyer—

Mr. Kerrio: Do not apologize for not being a lawyer.

Hon. Mr. Bennett: Because there are enough around the province pretending to be lawyers, including the member for York South by the sound of it this morning. Let me suggest to him—

Interjections.

Mr. Speaker: Order.

Mr. Roy: He should pretend—

Hon. Mr. Bennett: With the performance of the member for Ottawa East, I would suggest that he is the greatest pretender.

My understanding, in reviewing it with the legal counsel to the ministry and to the Ontario Housing Corp., is that the decision rendered in the Timmins case was very clearly indicating to us that Mrs. Timmins's particular position was somewhat different and, indeed, had been analysed by the previous hearings on a different basis, but it was indicated, I understand from the judge in the latest case, that this particular decision was not to be taken as a precedent for all workmen's compensation pensions.

That is the advice given to me, and I will accept it, unless I am told by other legal counsel that we should do a further review of it in conjunction with the federal government.

Ms. Copps: Mr. Speaker, does the minister mean that he is going to continue to accept and encourage the form of disclosure as requested, for example, in the case of the Hamilton Housing Authority where they ask individual women over the age of 65 to disclose the number of jewels they may have so they might alter their rental accommodation costs accordingly?

Hon. Mr. Bennett: Mr. Speaker, the member for Hamilton Centre asks a very interesting question, because over the past number of months, indeed over the past year or two, this province has had a running battle with the federal minister and department.

Mr. Bradley: I knew that one was coming.

Hon. Mr. Bennett: Let me suggest to the member for St. Catharines that—

Mr. Bradley: I knew it would be their fault. I

wouldn't be satisfied with less, if you didn't mention the feds.

Hon. Mr. Bennett: If the member will sit and listen for a moment—

Mr. Speaker: Never mind the interjections, please.

Hon. Mr. Bennett: We have been through very long-drawn-out discussions with the federal government relating to this province and the way we determined incomes and how we—

Mr. Epp: You are the one who brought it up.

Mr. Speaker: Order.

Hon. Mr. Bennett: I beg your pardon? If the member has an interjection he should say it loud and clear.

Mr. Roy: Go ahead and tell him. It is the feds' fault.

Mr. Speaker: Never mind the interjections, please.

Hon. Mr. Bennett: I am suggesting to this House that for a long period of time—going back about 10 or 12 years—there had been some dispute as to how Ontario calculates the income of its seniors and others for rent in publicly assisted units. It has only been in recent months that we have come to a conclusion in our discussions with the federal government on how we calculate that rent. They have indicated to us that there are certain properties of owners and assets of individuals that should be calculated into the possible income factor. It has been very clearly enunciated by the Ontario Housing Corp. and, indeed, it was an agreement of Canada Mortgage and Housing Corp.

I suggest to the member for Hamilton Centre that she can take the opportunity of discussing it with her local housing authority, and they will indicate very clearly to her how that is determined so that the individuals—I say “the individuals”; the citizens of this province, the seniors of this province—are dealt with in a fair and equitable fashion.

Mr. Rae: Can the minister confirm that what he is telling us is that, regardless of any decision of the Ontario Court of Appeal, this government is going to continue to regard workmen's compensation benefits as income rather than as capital, that it will not take into account the decision of the Ontario Court of Appeal in that regard and that OHC will continue to insist not only on payments but also on collecting arrears from people who are claiming their rights under the Timmins case? Is that the view of the government at this time?

Hon. Mr. Bennett: I will repeat the position once again. In our interpretation—and I am referring to the legal counsel—the case relating to Mrs. Timmins in Sudbury indicates very clearly to us that this is not to be taken as a precedent in relation to excluding workmen's compensation benefits for income calculations and rent based on income.

HOMES FOR SPECIAL CARE

Ms. Copps: Mr. Speaker, I have a question for the Minister of Health. In July 1981, the chief social worker at the Queen Street Mental Health Centre was informed in writing of allegations of brutality at a home under the supervision of the ministry. I quote:

“The allegations relate to the manner in which discipline is handled in the home operated by Tom and June Jackson of Jackson's Point. This includes kicking and hitting, which, in my mind, constitutes physical abuse if not assault. My concern goes even further, however, as this particular home was brought to the attention of your field worker last fall by a group of concerned professionals. At that time, the group was assured that the home would be closely monitored and specific areas of concern resolved. Not only has this not been done, but it is my understanding that two new placements were made last week.”

It is obvious that not only was the ministry field worker aware of the situation two years ago but also the chief social worker for homes for special care of Ontario was informed in writing a year before the death of Jimmy Black. Why did the minister not correct the situation before Jimmy Black died?

Hon. Mr. Grossman: Mr. Speaker, the home in question is inspected on a regular basis, as is every other home in the province. It has passed all the inspections done by the ministry inspectors. If the honourable member feels that the current operation of the home is not meeting standards, then she would be calling into question the capability and excellence of our field staff.

If the member wants to do that, she is free to do that. I can only tell her, from the ministry's standpoint, we support our inspectors. Inspectors who are there on a regular basis report that the home, as of today, is running in an acceptable manner.

Ms. Copps: I am not calling into question the work done by the field worker, but the work done by the chief social worker at the Queen Street Mental Health Centre who was aware of

the situation a year and a half ago and has done nothing to solve the situation.

Will the minister take action immediately to force the revision of the homes for special care legislation so that we will avoid problems described in another letter listed as evidence during the coroner's inquest, including the facts that a cook who could not speak English was at one time responsible for administering medication, that one of the operators worked 47 hours per week in another municipality as a fireman, and that the person responsible for the care of up to 18 retarded adults was a 19-year-old girl with a grade 9 education?

I am calling into question the supervision by both the field worker and the chief social worker at the Queen Street Mental Health Centre, and the minister should have some response to those allegations tabled at the coroner's inquest.

Hon. Mr. Grossman: As I have responded before—though the member did not get enough coverage to satisfy herself so she thought she would take another run at it today; look up there, maybe the member will do better—the member got in trouble here before for those silly and extreme statements the last time—

Ms. Coppes: Jimmy Black died.

Hon. Mr. Grossman: We know that. The last time the member rose on this question in the House, she was no more accurate than the leader of the New Democratic Party was about the calendar, or she was yesterday about the calendar.

Let me make it clear. The last time the member rose here she stood up and said the jury and the whole coroner's inquest procedure was a whitewash of the ministry. Today—I will tell the member that if she wants to chat away over there I will wait until she is finished. I have lots of time; it is Friday morning.

The fact is, the member continues to go back to a situation reported by the coroner's inquest some time ago. I have indicated that with regard to the homes for special care area we are not doing nothing; in fact, the area is the subject of intense review by the ministry. I have also indicated to the member that I expect this review to be completed in a few months, and next year the whole homes for special care issue perhaps will be the subject of legislative change in this assembly.

I have also indicated to the member, with regard to close inspection of that particular premises and the other ones she wants to refer

to, that there is close inspection being done. The ministry follows very carefully action that ought to be taken in each of those instances.

If today the member has specific allegations with regard to activities being carried on in specific homes for special care that she thinks warrant investigation and violate the law, then she should draw those to our attention; and only if we fail to remedy situations that do not meet the legal standards would she be justified in making the rather extreme statements she wants to make today.

Mr. McClellan: Mr. Speaker, I have a supplementary about the adequacy of the supply of decent and adequate accommodation, particularly for former psychiatric patients. In an effort to obtain housing this week for a day patient at Queen Street who had been living on the street since October 13, despite the fact that he was a day patient, I learned that Houselink Community Homes has a six-month waiting period, and that the accommodation situation appears to be just as tight and there are as many people on the street as last year.

Mr. Speaker: Question, please.

11 a.m.

Mr. McClellan: What action is the minister going to take to add to the inadequate announcement he made last spring with respect to the development of additional housing opportunities for ex-patients and put a decent supply in place?

Mr. Speaker: That is not a supplementary question to the answer which the minister supplied.

METROPOLITAN TORONTO POLICE PRACTICES

Mr. Renwick: Mr. Speaker, I would like to return to the Attorney General and the Proverbs matter. His responses so far this morning have confirmed in my mind his bias in this matter.

Will the Attorney General, before he digs himself in over his head on this question, turn to the essence of what has been disclosed in the Proverbs matter, both in the course of the trial and in respect of the tapes? The essence, if I may say so, is that the disclosure raises very serious questions in the public's mind about the methods of investigation, interrogation and laying of charges by certain officers of the Metropolitan Toronto Police.

Will the Attorney General not now objectively recognize the necessity of a public disclo-

sure and discussion by way of investigation, in whatever forum he may choose, so that these matters of the methods used and disclosed by those tapes and in the trial will be reviewed publicly?

Hon. Mr. McMurtry: Mr. Speaker, I really have nothing to add to what I said earlier. I will be making a statement to the Legislature when I have had a chance to review the transcripts. These matters, I am sure, can be discussed on another occasion, but I am not simply going to rely on media reports alone as to what happened at that trial. The member for Riverdale, as an experienced lawyer, can appreciate the wisdom of actually seeing the official proceedings, a transcript of all of the evidence, before I make a statement to the Legislature about what is undoubtedly an important matter.

Mr. Renwick: Does the Attorney General not realize, as apparently does the chief of the Metropolitan Toronto Police, that what has been disclosed on those tapes and in those trials has very serious reflections on the whole of the Metropolitan Toronto Police force, and that it is the obligation of the Attorney General to make certain that there is a public inquiry in this matter as expeditiously as possible?

Hon. Mr. McMurtry: The Premier (Mr. Davis) mentioned once again in the Legislature yesterday that another fact which seems to have been forgotten, for the moment at least, is that some weeks ago Deputy Commissioner William Lidstone of the Ontario Provincial Police was asked to make a very thorough investigation into all of the allegations contained in this matter. We on this side of the House, and I really think all of the members on the other side of the House, have confidence in the integrity and the ability of the OPP to do a thorough and objective examination. It is rather premature to speculate as to what hearings might or might not arise as a result of this investigation headed by Deputy Commissioner Lidstone.

Mr. Roy: Mr. Speaker, does the Attorney General not understand that when serious allegations are made against himself, the chief law officer of the crown, they are made about the police themselves, or made about crown attorneys, or made about judges? In fact, the chief of police of Toronto is talking about new procedures for conduct of police officers. To have the police investigating the police, surely he will agree, is not adequate.

Can the Attorney General undertake this

morning to give us a time limit as to when we can expect the response that he has reviewed the transcript and is going to make a statement to the House? Accepting his principle that he wants to review the transcript, does he not think the administration of justice deserves some explanation now about his conduct and his statements during the course of the trial about the evidence and the background of the accused?

Hon. Mr. McMurtry: Mr. Speaker, I have nothing further to add to my earlier responses.

NORDAIR STRIKE

Mr. Hennessy: Mr. Speaker, my question is directed to the Minister of Labour. Regarding the Nordair strike which is now in the process of extending to four months affecting Thunder Bay, Dryden and Sault Ste. Marie, will the minister intercede in this strike and ask the Honourable Charles Caccia, the federal Minister of Labour, if he will try to get both parties back together again?

They are experiencing a great problem in the Thunder Bay area, especially with Christmas coming. It is difficult for the member opposite, myself and other members to try to get back and forth, along with the people who want to go skiing up there. It is hurting the economy and also the industry in that area.

Hon. Mr. Ramsay: Mr. Speaker, I quite agree with the honourable member on the impact of the strike on northern Ontario, on Thunder Bay and even more so, actually, on Dryden and that area. I talked to my colleague Mr. Caccia a while back on an informal basis. I would be more than prepared to talk to him again on an official basis.

Mr. T. P. Reid: Mr. Speaker, when the minister does that, will he report back to the House and will he ask particularly that we be assured in northwestern Ontario that Nordair will continue to operate and we will have Nordair service in Thunder Bay and Dryden as well?

Hon. Mr. Ramsay: Mr. Speaker, it is my understanding that a mediator was appointed by the Honourable Charles Caccia last week and the mediator has brought the parties together. I have heard nothing at all about any termination of service to that part of northern Ontario. I am sure my colleague here who is very concerned about that matter would have been in touch with me if such had been the case.

MINE SAFETY

Mr. Van Horne: Mr. Speaker, I have a question for the Minister of Labour. Given the apparent concern the minister has about costs involved with the mine rescue service operation within the mining health and safety branch of his ministry, can he give this House any assurance that this vital service for the miners of Ontario will not be cancelled or reduced?

Hon. Mr. Ramsay: Mr. Speaker, I am a little confused by the question as to my concern about costs. We have an overriding concern about costs in our ministry in meeting the constraints that have been placed on us, but to the best of my knowledge we have not reduced any of our operating costs in the mine safety area. In fact, the opposite would be the case. We are trying to improve our services in that respect. I would appreciate some clarification on that point.

Mr. Van Horne: My colleague had a supplementary but, for clarification, it was my understanding the Ministry of Labour had indicated to the people involved in mining that the cost of approximately \$380,000 involved with this aspect of his ministry was being questioned by his officials with some view to its possibly being cancelled, reduced or something else happening. That was the reference to the dollars.

Hon. Mr. Ramsay: Perhaps the honourable member is referring to the actual inspection of uranium mines. As he knows, uranium mines come under federal jurisdiction. The Ministry of Labour of Ontario has been performing a service for the federal government in providing inspection services for uranium mines. I believe the cost approximates the figures the member has mentioned today.

It is true we have been negotiating with the federal government for it to take back the inspection services. In other words, we feel it should be performing those inspection services because it falls under its jurisdiction. We also feel we have come under criticism for the inspection services and that this criticism is not justified. If there is going to be criticism, we feel that if the federal government feels it can do it better it should take back the service and do it.

11:10 a.m.

That has been under discussion for quite some time, but I want to make this point abundantly clear: we would not save any money if that service were to go back to the federal government; there would be no savings to us at all. That is not the motive, in any case, because

we are paid by the federal government for those inspection services.

Mr. Wrye: Mr. Speaker, could the minister then explain to us why his ministry is considering privatizing the mine rescue service through the Mines Accident Prevention Association of Ontario?

Hon. Mr. Ramsay: Mr. Speaker, I do not believe that is correct at all.

Mr. Foulds: Mr. Speaker, would the minister be willing to undertake the responsibility for inspection in uranium mines in Ontario should the federal government be willing to cede that authority to him? Would that not be a more comprehensive and logical way to administer the inspection of mines in Ontario?

Hon. Mr. Ramsay: Mr. Speaker, I just want to look for a moment at my calendar, because a rather important meeting has been scheduled within the next two weeks with the mining association. It is at 3:30 p.m. this coming Wednesday. At that time we will be meeting with the mining association, representatives from the mines and also representatives from the trade unions involved, and we hope to be able to reach a consensus on how this matter should be handled.

It is a very serious matter and we want to make sure that the inspection is done at a very high level of performance, whether it is done by us or by the federal government. I hope we will be able to come to some conclusions and some courses of action after that meeting.

FOTOMAT

Mr. Breaugh: Mr. Speaker, I have a question for the Minister of Labour concerning the disappearance of Fotomat. How is it possible that in August a company such as Fotomat could have cancelled with Excelsior Life a set of negotiated benefits and simply put its employees' Ontario health insurance plan coverage in jeopardy by not forwarding OHIP premiums, and then on October 28 simply closed its doors, leaving employees with no notice of layoff, with no separation papers to file for Unemployment Insurance Commission benefits, with bouncing cheques and with about 10,000 customers out there with their films simply in limbo? How can that happen in this province in 1982?

Hon. Mr. Ramsay: Mr. Speaker, it is my understanding that the company did not go into either receivership or bankruptcy, and this has added to the problems in trying to resolve the situation. I would also advise, though, that our

employment standards branch has been in to Fotomat finally. There were some problems in getting in there. They are undergoing a complete audit at this very time and we hope we are going to be able to resolve the situation.

Mr. Breaugh: If, on the afternoon of October 28, the employees had simply dipped into the till to get what was owing them, that would have been called theft. What does the minister call it when the Canadian Imperial Bank of Commerce seizes a payroll, as it did in this instance? What is the polite name for that kind of theft?

Hon. Mr. Ramsay: I do not have any name for it. It is a matter of real concern to us and we hope we will be able to work it out in everybody's best interests.

Mr. Ruston: Mr. Speaker, since these films are still in limbo someplace and there are thousands of people who would be glad to get them and would not miss the money, can the Minister of Labour not take some steps through the Minister of Consumer and Commercial Relations (Mr. Elgie) to have them distributed so that the money from them would help pay the people?

Hon. Mr. Ramsay: Mr. Speaker, I must admit to the honourable member that I had not been worrying about the photos that were in storage, so to speak; I had been more concerned and worried about the benefits owing to the employees. But it is a good point, and I will follow up on it.

ARGOSY FINANCIAL GROUP

Mr. Kennedy: Mr. Speaker, I have a question to the Minister of Consumer and Commercial Relations. With respect to the Argosy situation, where there were criminal charges laid, does the minister know if this company has any assets remaining and if investors might at some point recover any portion of their investment in that firm?

Hon. Mr. Elgie: Mr. Speaker, I do not have that information available to me. I will be glad to get it and report to the member.

Mr. Kennedy: At the same time, could the minister find out whether it is a receivership or bankruptcy situation and give details as to the status of either one of those situations?

Hon. Mr. Elgie: I will be pleased to report to the member on those matters.

Mr. Kerrio: Mr. Speaker, does the minister not find it very odd that after 15 years of trying to settle with Atlantic Acceptance Corp., Brit-

ish Mortgage and Trust Co., Astra Trust Co. and Re-Mor Investment Management Corp., his government still has people in a position where God knows when they are ever going to get settlements? When is he going to do something to protect people who invest in some of these outfits? And when is he going to drag into the courts Re-Mor and these other people who are God knows where, maybe in Switzerland or some other place, with the investments of these Ontario people?

Hon. Mr. Elgie: Vince, I may get asked questions from my bench that are not planted.

Mr. Speaker: You must refer to the member by his riding, please.

Hon. Mr. Elgie: All right. I think the member should discuss his questions with other people before he asks them because the facts are these: Let us look at the Astra—

Mr. Ruston: Never mind the lecture.

Hon. Mr. Elgie: No, no, I know he does not like facts. He does not like people being responsible. He does not like facts, but that is what he is going to get. Let us look at the Astra/Re-mor situation; Astra a federally incorporated company, Re-Mor a provincial one. What has this government shown by way of interest and concern with that issue? The Attorney General (Mr. McMurtry), as the member knows, is funding those trials.

We have indicated that we will not be doing what the federal government did with respect to those who wanted to sue Astra. Does the member know what they did? Does he know that the federal government has already invoked sections of its act to shut off those claims so that those people from Astra who have suffered as a result of that are not even going to be allowed to put their cases forward?

Interjection.

Hon. Mr. Elgie: Is the member ashamed of that? Say "yes" or "no." If he is ashamed of it, then he should go and speak to his friends in Ottawa and get them to sit down and talk with us because I do not know anybody who can get them to talk to anybody. They are playing stonewall. They are even cutting off the rights of individuals to take their cases to court and be heard.

Mr. Van Horne: Mr. Speaker, on a point of order—I think this is appropriate timing, given the pugilistic attitude of the minister: Given the Premier's (Mr. Davis) arrival about an hour ago in the blazing blue jacket, I am wondering if the

Minister of Colleges and Universities (Miss Stephenson) has anything to display reflecting her support of the University of Western Ontario, which is playing for the Vanier Cup tomorrow and obviously will beat the University of British Columbia.

Mr. Speaker: That is hardly a point of order, but an interesting comment.

NOTICES OF DISSATISFACTION

Mr. Renwick: Mr. Speaker, I give notice pursuant to standing order 28 that I am not satisfied with the responses given to me by the Attorney General (Mr. McMurtry) to my questions on the Proverbs matter this morning, including my supplementary to the question of the member for Ottawa East (Mr. Roy). I therefore intend to raise the subject matter of these questions on the adjournment of the House next Tuesday evening.

Mr. Conway: Mr. Speaker, on a point of order: For clarification, while the Attorney General is here—because I tried to listen very carefully to what he said to questions put by the members for Ottawa East and Riverdale—I was wondering whether or not he might tell me in this House or afterwards that I heard him correctly when he said that he would hesitate not at all in repeating anything that has been attributed to him with respect to the Proverbs trial if he had the opportunity to do so.

I wanted to know whether or not the Attorney General actually meant to suggest that if he had it to do all over again, he would actually say in the course of a trial that a particular individual centrally involved in that trial was “a con man.”

Mr. Speaker: That is more properly a question and I would direct the honourable member to ask that question at the appropriate time.

[Later]

Mr. Roy: Mr. Speaker, on a point of order: I would like to put on the record that I too am extremely dissatisfied with the answers given by the Attorney General this morning. I hope I will have an opportunity to raise this matter again at the earliest opportunity. For the record I give notice of that now.

11:20 a.m.

REMARKS BY NDP WHIP

Hon. Mr. Gregory: On a point of order, Mr. Speaker, in regard to last evening's session: Normally I would not raise this and I do so only to correct the record. I want to quote from, I

believe, the Canadian Press report which says: “Ross McClellan, NDP member for the Toronto riding of Bellwoods and the party's deputy whip”—they demoted him, I guess—“agreed that his party's manoeuvres were basically an attempt to embarrass the government. ‘Philip was our speaker and he spoke at great length earlier. It was the government's turn in the rotation to speak. There was nobody on that side prepared. In effect, they lost control of the House.’”

I am reading from the proceedings of Thursday, November 4, which is the last time this report was debated. At that time the speakers were the member for Leeds (Mr. Runciman), the member for London North (Mr. Van Horne), the member for Etobicoke (Mr. Philip), and the member for Sudbury (Mr. Gordon). The member for Prescott-Russell (Mr. Boudria) was the last speaker and an NDP member would have been the next speaker. I am just wondering if the NDP whip would care to apologize for that remark.

Mr. McClellan: No.

Mr. Speaker: Before proceeding, I would like to make a comment on the way I handled a question from the member for London North (Mr. Van Horne). I noticed some raised eyebrows and questions coming from honourable members.

The original question he put to the minister was not understood by the minister. He stood up and said, “Then, Mr. Speaker, on a point of clarification,” and proceeded from there to clarify the information he was asking of the minister. I next recognized the member for Windsor-Sandwich (Mr. Wrye) as a second supplementary, and then the member for Port Arthur (Mr. Foulds). I did not vary from my routine. That is the point I wanted to make.

PETITION

METRO TORONTO BILL

Mr. Shymko: Mr. Speaker, I would like to present a petition from 447 constituents of the riding of High Park-Swansee who have expressed concern with regard to Bill 127. They have requested me to present this to the Legislature on their behalf. Of the three points they have raised in their petition, two have been met; namely, public hearings on Bill 127 were held in the fall, and the boards will be provided with sufficient funds to meet local needs. Two of the three concerns have been met.

MOTION ESTIMATES

Hon. Mr. Wells moved that consideration of the estimates of the Ministry of Agriculture and Food be transferred from the standing committee on resources development to the committee of supply, to be taken up immediately after the estimates of the Ministry of Revenue.

Motion agreed to.

INTRODUCTION OF BILLS CITY OF MISSISSAUGA ACT

Mr. Kennedy moved, on behalf of Mr. Jones, seconded by Mr. Lane, first reading of Bill Pr8, An Act respecting the City of Mississauga.

Motion agreed to.

CITY OF WINDSOR ACT

Mr. Wrye moved, seconded by Mr. Newman, first reading of Bill Pr39, an Act respecting the City of Windsor.

Motion agreed to.

ORDERS OF THE DAY

House in committee of supply.

ESTIMATES, MINISTRY OF REVENUE (continued)

The Deputy Chairman: We have completed the statement of the minister. I call upon the member for Rainy River.

Mr. T. P. Reid: Mr. Chairman, I intend to be brief. I have a few points I wish to raise in my opening remarks. I want to put the minister on notice that I will be asking some questions about the actual expenditures of his ministry. I know we tend to talk about everything else except the money that is in the votes, but I do intend to ask about the \$604 million that the ministry will be spending, an increase of some \$80 million over last year. There are a number of items that have concerned us in the last little while and I hope we can get some response from the minister about them.

We on this side are concerned about the 35 per cent assessment the minister has come up with in regard to the urea formaldehyde foam insulation problem. We would be very interested in knowing on what basis the minister arrived at that particular figure; would he give us some background and the studies involved in arriving at that 35 per cent. I noted that the minister's response to some questions in the last couple weeks was not very adequate. He seemed

to indicate in the House that having UFFI in people's homes would not have a detrimental effect on the value of their homes.

I can tell you from personal experience—I hold a real estate license—that I believe it is a requirement that it be stated in the offers of purchase and sale whether or not the house has UFFI in it. If it is not a legal requirement, it is obviously a requirement of either the Ontario Real Estate Association or the Toronto Real Estate Board. I have seen a number of contracts where it has certainly been a requirement. If a person is going to get a mortgage, the mortgagor, whether it be a bank or otherwise, must be assured there is no urea formaldehyde foam insulation in your home or in the home you are buying. It is a serious problem which is seriously affecting the value of a lot of homes across Ontario. We would be interested to learn how the minister arrived at 35 per cent.

11:30 a.m.

Also, there have been some questions in the last few weeks about the minister's coloured fuel program. I have brought it to his attention myself and I gather there are other members whose constituents are experiencing some difficulty with this program. I would like to know how much this entire program is going to cost us by the time the minister provides grants and subsidies to bulk dealers, independent truck dealers and farmers.

Can the minister give us any indication what the scope of the problem was? How many were using the coloured fuel for purposes they were not supposed to, in other words using it in their cars and trucks on the highway rather than using it for farm machinery?

One can only wonder: In the minister's opening statement, he was so hep on deregulation and keeping things to a minimum; then he introduced this coloured fuel program. It is going to cost us millions of dollars; it is wreaking havoc on the bulk plan dealers and the independents who deliver it. We hear some stories that it is affecting farming machinery and so on. So we would like to know what the estimate of the ministry is in terms of how much tax was being evaded and what studies were done of the alternatives to bringing in this rather complicated and expensive program.

One of the things that might have been done was to have made the fines for the use of coloured fuel in the wrong vehicle much stiffer. There could have been an enforcement program for a while so that those who were caught would be an example to ensure it did not

happen. Surely there were some alternatives to this program. We would like to know the rationale for it.

My colleague the member for Kent-Elgin (Mr. McGuigan) has asked the minister in the House about the problems adding the dye to diesel fuel is causing to the fuel systems in farm tractors. The minister indicated he had not heard that was a problem and seemed to indicate that technically it would not happen at all.

Mr. Nixon: It clogs their injectors.

Mr. T. P. Reid: Maybe I have the same problem.

We are also interested in the assessment part of the minister's portfolio. He spent a great deal of time in his opening remarks trying to justify the time, the effort and the millions of dollars the ministry has spent on computers for assessment in Ontario.

That is one of the things that sticks in my mind from my very earliest days here. Market value assessment was going to solve all of Ontario's problems; it would solve all of the problems of the municipalities in Ontario. Darcy McKeough and company were going to bring in this marvellous concept which would equalize assessment across Ontario and bring equity to the system.

I remember all of those marvellous speeches.

Hon. Mr. Bernier: Where did Bob Nixon stand?

Hon. Mr. Ashe: Did you support that, Bob?

Mr. Nixon: Yes, sure. What did he say?

Hon. Mr. Bernier: Sure he did.

Mr. T. P. Reid: We all did. We are all interested in equity and fairness.

Mr. Nixon: We did not support the centralization of assessments; never.

Mr. T. P. Reid: That we didn't. We wanted to keep it at the local and regional levels.

Hon. Mr. Bernier: Oh, you're fudging on it.

Mr. Nixon: We believe in local autonomy.

Hon. Mr. Bernier: I have a long memory.

Mr. T. P. Reid: We seem to be spending a great deal of the taxpayers' money for a program that is in place in very few of the 838 municipalities in Ontario. It is interesting to note that under section 63 of the Assessment Act the minister has had a request from Metropolitan Toronto to do a simulation study of assessment in Metro. I am going to be asking questions about the number of people. I gather there are 165 of the 225 staff members working

on this and it is costing \$4.6 million or \$4.8 million for a simulation study. Yet, as I understand it—if I am incorrect, my colleague from Waterloo will tell me—the city of Toronto wants nothing to do with it. We are spending almost \$5 million on Metro's behalf to do a simulation study which the city itself has no interest in.

Hon. Mr. Ashe: Believe it or not, there are six municipalities in Metro.

Mr. T. P. Reid: I realize that, but one of the major ones is opposed to it. I would like to know why it is costing us so much money to do a simulation study, especially under the circumstances.

We are also interested in a few definitions and a few matters relating to productivity. I presume that when the minister speaks about a man-year he means one person's work for one year. I think we would like some definitions. He spent some time talking about productivity in the ministry, and I would like some definitions on that as well. The minister spent, at the last count, about 20 pages in his statement talking about productivity within his ministry in one sense or another.

As we all know, one of the problems is to decide just what is productivity. How does one measure it? I would like to know what facts, figures and guidelines the minister is using when he makes those kinds of statements, that productivity has increased greatly within his ministry. If this is so and he is spending 15 per cent of his revenues on computers and data processing equipment, one wonders why his budget is increasing by \$80 million. My figures may be incorrect because I have had to take them from different parts of the statement, but we are having an increase of 119 man-years in some programs and 108 man-years in others. I understand part of that is associated and related to the move to Oshawa. Perhaps the minister can fill us in on some of the details on that. Why are these requirements necessary at this time?

For instance, on page 22 of the statement the minister refers to tangible increases in productivity. I would like to know exactly what those tangible increases were, what comparisons were used and what definitions the minister is using in that regard.

Before I go too much further, I would like to surprise the minister and perhaps even some of his staff. In my copious notes here it says, "Good for you." I note, on page 39 of the statement, the minister says they are developing their computer and data processing technology using Canadian technology. I am glad to hear that. It

certainly is a tangible example of what the government said it was going to do a few years ago about buying Canadian, but then we wind up finding half the things we see around this building come from Japan or the United States.

11:40 a.m.

I also think the ministry deserves some commendation for the improvement in getting out the cheques to senior citizens this year. We recall last year there were questions in the House every day. Members' offices and members themselves were being deluged with requests from senior citizens who had not yet received their tax grants. I am glad to see this year, at least, there has been a great improvement in the system set up. The minister referred in his statement to the fact that part of this was being done with computer technology because all the application forms that were incorrect could now be handled by a computer rather than manually.

We were talking about this very item in the standing committee on public accounts yesterday. I do not think I am giving away any secrets. It was suggested we commend the ministry for the improvement in this situation. One of the Conservative members took some exception to that and said at least in his constituency the cheques were not getting out.

I know this is a topic near and dear to your own heart, Mr. Chairman. I want to spend some time talking about the 15 per cent of the minister's budget which has gone into computer and data processing equipment. I know the standing committee on public accounts has asked the auditor to do some studies related to some questions we have and the fact that we, as a government, are spending on behalf of the taxpayers some \$130 million in computer processing or data processing matters for the government as a whole.

We on the committee were somewhat disturbed and got the feeling to some extent that, while a lot of money was being spent, it was not necessarily being spent wisely or well and there was not always a focus on what this new technology or machinery was going to do for us. I hope we will be able to elicit some facts and figures from the minister as to what kind of equipment he is using, what it is supposed to do and what plans and programs the ministry has in this regard.

I would like to make two other comments. On the enumeration process, the ministry should probably be commended for the job it did in the municipal enumeration for the recent elections.

That is a record of which the minister and the ministry people can be quite proud. I gather there is the odd municipality and sometimes the odd loser who feels the municipal enumeration was not exactly what it should have been. One name comes to mind in York, Christie biscuits or something like that. But I think it is safe to say it seemed to go reasonably well this year.

It brings to mind the question that has occupied us provincially at times of having a permanent roll for elections. One wonders if we could not get into some kind of permanent assessment and enumeration roll which might, in some ways, even be able to combine the two, or at least have a permanent roll so we do not have to spend \$4.5 million to do the enumeration at municipal election time.

Now that elections will be occurring every three years rather than two, there obviously will be a cost saving in any event but, given the fact the minister seems to have this sophisticated equipment, maybe between us we can explore that problem.

I have another question about the business corporations tax. Could the minister remind us how much his estimates were? I suppose they would be Treasury estimates. How much is going to be saved or lost to the revenues of the province? I suspect it would not be as much as the Treasurer (Mr. F. S. Miller) originally figured given the state of the economy, but one wonders what one does with one's equipment and one's people while all of this is going on.

One presumes these people are being shifted or are being used in other capacities within the ministry. That being so, could the minister tell us how many people were working in the operation of collecting the corporation taxes? What will they be doing for the next two years while this tax holiday is in effect?

I have a number of questions, some related to information in the public accounts and certainly those matters referred to in the estimates. I intend to spend the bulk of my time talking about the actual expenditures within the Ministry of Revenue.

As the minister was giving us his opening remarks the other night, one of my colleagues said to me, "He certainly sounds like the man who is in charge of the cash register." It is one of the peculiar ironies. It is probably the Treasurer who sets the policy and it is the Ministry of Revenue everybody hates. But we on this side, of course, do not hate the Minister of Revenue. We realize he has a difficult job to do and it seems to me there have been many improve-

ments made, to the credit of the minister and his staff.

Mr. Breaugh: Mr. Chairman, I want to begin this examination of the estimates with a brief look at the minister's 126-page opening remarks. Although I have known the minister for some time both here and in another life on the region of Durham council, I have never heard him give that long a speech before. I know it is a milestone, or a millstone or whatever, in his political career so we have to respond to it in some way.

In addition to that, there are some things in here which I think it would be wrong to let go unnoticed. In particular, I am intrigued by some of things he had to say at the beginning of the speech where he talked about an aggressive constraint policy. I am a little confused about what he means by an aggressive constraint policy when one looks at the expenditures of the government over the last little while. That seems to have been the centre of a great deal of controversy.

I suppose this is the same kind of argument where it is seen by some to be a great victory that the Premier (Mr. Davis) does not buy his executive jet and somehow we save money by buying two water bombers. I am a little at a loss to understand that kind of philosophy. In my mind, the net result of that is the water bombers themselves may be of somewhat more value to the people of Ontario, although I do not recall hearing a dramatic argument that we needed two water bombers. But somehow in my pocketbook philosophy I still think we spent the money.

I am not sure I can convince myself there was a whole lot of restraint involved. If I buy two items I am not sure I need, was I exercising a sense of restraint?

Somehow in the initial overview of the minister's statement, he has gone out of his way to say they have an aggressive constraint policy. I do not know what that is for starters, and I sure do not see a lot of recognition in the current policies of the government that it is all that interested in saving bunches of money in its expenditures.

It seems to me it is business as usual; what they want to do in the main they are going to do. Yesterday afternoon in private member's hour the House was discussing again: Do we like the idea of junkets for trade purposes? It appears the House does, the government continues to do those things and it has a semi-valid rationale for the provision of trade missions throughout the

world. As most members here see from paper going across their desks, this practice continues regularly, and the expense of that, of course, is seen to be like a business expense: Just lay out some bucks here.

11:50 a.m.

So the definition of what this government means by restraint is certainly a good deal different from what most ordinary human beings in their endeavours would see as being restraint. This government seems to have adopted a policy now that it can spend whatever it wants for its purposes and call it restraint and that we are all supposed to accept it. I have a little bit of difficulty with that.

Even this minister in the beginning of his statement talked about an aggressive constraint—not restraint, constraint. Again it is part of the philosophy of the government that if you want to confuse folks, just change the name a little bit and that will somehow achieve the purpose. This is a ministry that has gone into advertising hot and heavy and does so every day around Ontario; in every conceivable way that one can advertise, there is the Ministry of Revenue. I am not sure I find much justification for that kind of saturation advertising.

For example, last year and to a lesser degree this year one of the problems the ministry had with several of its programs was that it kept advertising that certain things would happen, and people sitting in their homes—for example, senior citizens watching television every day—were constantly reminded that there was this little tax grant, this giveaway program. So every day the ministry is spending large amounts of money advertising this program, reminding the population at large that they really ought to write in, phone this toll-free number, call the local member's office and get some of this free money the government was handing out.

Of course, at the other end of the system the government was falling all over itself handing out the cheques, giving them to the wrong people and then asking for the money back, sending people out to try to get the money back, unable to respond to the massive advertising program it had generated.

Somehow we are supposed to accept that this is an aggressive constraint policy. Well, when I examine the aggressive constraint policy that is at work there, it is aggressive; I give them that. It is certainly very aggressive in pursuit of certain items, but I find some difficulty saying that there is a constraint or a restraint program at work there.

I want to go on to some of the other things the minister had to say, and I will have to go through this quickly, as the minister did when he went through this statement. He went through it rather rapidly without a lot of feeling, but he certainly got it all on the record, so I will try to do much the same kind of thing.

One of the things I found notable, again dealing with an aggressive constraint policy, was that he plans to increase his level of staffing. He then went through a great rationale of precisely why he wants to increase the level of staffing. It seems to me that one thing he is really doing here is recognizing that a lot of the material that was put out by various ministries about having cut back on the civil service in fact never did happen.

What did happen was that they got buried among part-time assistants; some became consultants. We are all aware of stories of people who were full-time civil servants one week, somehow got chopped and came back the next week in another life as consultants, usually at an increased amount of money. And the only benefit one could see in that is they no longer appeared on the ministry staff as being actual employees of the ministry. The dollar value was more. It cost more money.

When the procedural affairs committee reviewed the work of the Civil Service Commission this year, one thing we wanted to know was how many of these folks were around. How many consultants and part-time people do the ministries have? We pursued that for the better part of a day and we were unable to get the Civil Service Commission, those people who are supposedly in tune with all of this, to give us a straight answer on it.

They did try, and they offered us some rationale, some explanations. But when you get to the bottom line of that little examination by the committee of how many people are sitting in government offices who are not counted as civil servants aligned to a particular ministry, no one appears to know. We assume that there are flocks of folks out there. Most of us have met them and continue to meet them on a day-to-day basis as we call different offices to try to solicit information from the ministries; but no one seems to know.

At least with this minister we are getting, I think, a small degree of honesty. He is admitting that we have to stop that game; in order to run the ministry efficiently and well, we need people who are assigned full time to this ministry. So I accept the arguments he makes in here in a

rather long and convoluted manner. I do believe he is recognizing that game is not worth playing and, to maximize the efficiency of the ministry, we need to increase the staff complement.

Certainly if one looks at—as I do every day when I am in my constituency office—the operation he is setting up across the road from me in Oshawa, I have a little bit of difficulty in thinking that this is a restraint program at work. There is a magnificent white building and I think the minister said the other day, when someone was interjecting about what kind of furniture he was buying for this, that one does not buy Volkswagen furniture for a Cadillac. I have to say it is a Cadillac that is sitting across from me in a General Motors town, and that is probably not a bad move on the minister's part.

The other thing I will touch on a bit later is the increases he announced in here. I think he makes a rational argument, and I am not sure he is really talking about an actual increase if one goes through the man-years' concept he puts in here. I think he is simply acknowledging there will be a change of name. There is a level of staffing required to run the ministry efficiently and he is attempting to do that. I do not give him any problem on that. I think he is perhaps being a little more accurate in attempting to do that.

Of course, some of the things the ministry does, lead to further problems. The coloured fuel program seems to me to be the kind of thing that is not too sensible to start with and that very quickly extrapolates itself into a real problem. We do have some sympathy, at least I do, with this minister, because, very often, he is going for coffee, so to speak, for the Treasurer (Mr. F. S. Miller). The Treasurer announces that some great thing will have to happen, like he did in his spring budget with the retail sales tax, and after he has made that grand and glorious announcement, the guy who has to carry the can, go for coffee and do the dirty work, is the Minister of Revenue.

I happen to know this minister rather well and he is well equipped to do the dirty work. He can handle the snarly jobs pretty well. He is the only guy I know who had his heart removed and a dollar sign implanted in there and it fits. It goes right along with the personality. He can handle that kind of stuff with ease, no problem at all. If one looks at the programs the government has initiated in terms of tax revenue program initiatives and their expansion, and of improved tax grant systems, one gets into the kind of perverse logic this government really does like. This

minister very often has to carry the can for the ramifications of those.

This government loves to take money from one pocket and give us back a little bit of money in the other pocket. The problem is they usually take a dollar bill out of one pocket and give us back a nickel. Somehow we are supposed to be grateful we got a nickel and forget that they stole 95 cents in the interim. This government is a great believer in the concept that it should take money from folks initially and then somehow roll it through the bureaucracy and at the other end of the process a cheque comes out from the government for which people are to be grateful.

If we look through these estimates and begin to examine the amount of money it costs to administer these things, we really begin to wonder after a while whether it would not be much more sensible to let them retain that money. Perhaps, aside from crass political purposes, we could dispense with this concept that the government will give us back some of our money a little later on and we should feel good about that.

For example, I tend to suspect a great many seniors like to get those tax grants. There is no argument about that at all, but they are in despair with the frustration of filling out the forms. For many of us who deal with forms and regulations on a day-by-day basis, that is not much of a challenge. We do that in our offices all the time. But a number of our citizens out there have a little problem sitting down and filling out forms.

I have to admit sometimes I have a little problem dealing with a form I have not seen before, because the first order of business is that one has to imagine in one's mind's eye what the bureaucrat who drew up the form really wanted in the first place. The words and the way the thing is laid out obviously make eminent good sense to that individual, but it may appear to me or to people in my constituency to be really incoherent. It is asking for information I do not have. It is asking for information I do not normally use in a format that is unfamiliar to me. So it does cause problems.

Even as one goes through the tax grant schemes and notes the kinds of problems people have, at first blush they seem to be a little unusual: for example, people forgetting to sign the form. Most of us who fill out forms all day and every day understand that normally the form must be signed somewhere. But perhaps there are many people in this province who do

not make a practice of signing forms every day, so small things such as forgetting, delay the process and cause further problems.

12 noon

I always like it when the minister says things like, "The ministry has held its staff levels to an overall increase of only 119 man-years for 1982-83 while dealing with steady increases in the volume and complexity of existing operations." There are people in this world who, instead of saying that we will hold our staff levels to an overall increase of only 119 man-years, would say that we need an increase of 119 man-years and would not bother with the foofaraw about holding our staff level to only 119.

I seem to recall when I was on the region of Durham council that the very same minister used to do a rather large number on the mayor of Whitby, who was forever doing this kind of stuff, and would say: "Why don't you just tell the truth? Tell it straight out. Never mind the fandangle of increasing it by only 119 man-years." I am surprised, and I suppose it is just a measure of the men he now has around him, a flock of folks who write this kind of language, because I know that those are not his own words.

There are a number of things in here that ought to be mentioned. Here is one that the minister had on page 11, where he is going over some of the work we had questioned earlier about "overtime pay for assessors working on regional reassessments and annualization of salary awards. Travel, services and supplies are increased by \$10.6 million, of which \$9 million is related to relocation expenditures such as the Oshawa moving and commuting expenses for employees as well as furniture and equipment required for the new building."

Again, after reading the first page, where we were talking about aggressive constraint, I would sure as hell hate to see this guy turned loose to spend freely. I mean, \$10 million to get from here to Oshawa is a lot of cash. I want to say, before everybody gets too exercised about it, that I recall that in 1972 or 1973, when I was on the council in Oshawa, we began discussions with this government about the whole "Go East" stuff. At that time one of our concerns was cost matters having to do with the provision of services for a rather substantial influx of population.

To show members how long it takes this government to get something done, about 10 years after we began negotiations with the government of Ontario to actually move some

office facilities from downtown Toronto into the Oshawa-Whitby-Ajax-Pickering area, it actually happened.

I suppose that probably a couple hundred politicians played a role in determining whether go-east would really mean that things like the Ministry of Revenue would come to Oshawa and the Liquor Control Board of Ontario warehouse would go into Whitby. It took them about 10 years, but they finally are coming through.

I will believe that the Ministry of Revenue office is opening when I see the doors open. It has only been announced about six or seven times. The building is up and is pretty well done on the inside; but it is one of those things where, after you have been through about seven functions where the government announces its intentions, you begin to believe they might actually come through with it. In this instance, a few million dollars and a decade or so later, it appears that it will actually become fact.

One of the reasons we became participants in the go-east policy was that there would be this move of government offices from downtown Toronto into the region of Durham. One of our beliefs—and I still think it will come true, though it has been a long time getting there—is that an influx of a large number of people working in the downtown core of the city of Oshawa will in some measure assist our downtown core. It will at least put a population at work down there that is not there now, and for people who run small businesses in that area it will do some good.

I believe that if and when we ever get them out there and if we do not give them too much expense money to commute back downtown for lunch, they probably will help that community. There have been a lot of estimates, good guesses and not-so-good guesses about how many local people will be employed there, and I remain a little cynical about that. I would like to see when that happens.

I know the applications are there; the people there are willing to work in the Ministry of Revenue building, and I hope it does something towards employment in the area. However, even if it does not do that—and I do not have high hopes that a lot of people will get a job there, at least initially—perhaps after it has been in operation for a few years there might be greater employment capacity for local people there.

But, taking a look at the design of the building and knowing the kind of equipment that is going in there, I know there will not be a lot of auto

makers who will go off the line and into the Ministry of Revenue building. It looks like a pretty sophisticated operation to me, but at the very least it should have an impact on the downtown of the community, and that will be good. Once again, constraint or not, I am in favour of what the ministry is proposing.

To look at the amount of money that is in circulation here, if one looks at transfer payments to Ontario pensioners, the increase is \$49.6 million in the form of grants for property and sales tax and home heating. That addresses itself to another substantial problem. This minister is responsible for the money flow through the system, and I think all of us would argue at some length that we are in favour of offering some relief to property owners. We are in favour of offering some relief to people like senior citizens who are on fixed incomes, and that is where there is a crying need in our society.

One also has to wonder, around the edges, about how a government that is so gleefully pursuing things like an ad valorem taxation policy on petroleum products, and more specifically on gasoline, can so gleefully go to work on that. Are we really getting a good deal in the form of tax grants, particularly for things like the sales tax on home heating? Would we not all be better off in the long run if we re-examined the taxation that puts those things in place initially? Would our economy be better if we did not have a retail sales tax? Who would be affected by that?

Is a donation of \$50 or even \$100 from the government of Ontario to a senior citizen really meeting that need? Is it fair? Of course, there are inequities which seniors will point out to members, and I imagine most members have heard them, about who qualifies for these things. Who gets them? Who does not get them? Does it meet their needs? Is it enough? There are problems there.

One of the things I would like to see the government do is to re-examine that concept of taking with one hand and giving back with the other. They should, particularly with this ministry, take a look at the cost of administering programs such as the ones they already have in place. I believe there is some difficulty there.

I will set aside some of the remarks the minister had about management techniques and give him the benefit of the doubt on that one. I know there have been problems in the ministry; perhaps they were not of his own making, but there certainly have been difficulties in that

regard. I am pleased to see that he has, in a lengthy number of pages, addressed himself to that problem and that they will be overcome.

Part of what he is staking a claim on is technology. One of the things we will all recognize is that in the kind of business this ministry is in, technology is growing by leaps and bounds. Every business I know is faced with precisely the same problem. There are new sources of technology, and it is changing every day, which will revolutionize the whole business of collecting and dispensing money, as the ministry does so regularly. I am pleased to see that at least he has acknowledged that and is beginning to set up the kind of sophisticated technology that is currently available.

I think that when the full relocation to Oshawa is in place and the technology is there, even though it has caused a few problems initially in the construction phases, it should pay off. When it begins full production, we should have something that is substantially an improvement on the current situation. That goes right back to that concept of taking money away on one hand and trying to give it back on the other, perhaps in smaller amounts but still trying to return it. That is a very complicated set of tasks, dealing with a large number of people in the population. To try to get access to that information and to do it well and quickly demands the use of modern technology.

Let me move to another more substantial program of the ministry, the assessment program. I reread this portion of the minister's opening remarks, and I have to admit that I became a little uneasy as we went through it. The minister was basically making an argument that he is shortly going to have computer technology in place within the property assessment program. Since I hate them, I will not use the initial words, which do not mean anything, that the minister used: the Oasys project and things like that. I think we could live without those things.

I want to go to the concepts. The basic concept is that we are going to set up a computer somewhere which eventually will automatically whip up assessment programs and assessments on houses that can be traded back and forth among municipalities. Models will be structured, perhaps bringing the province whole-hog into some of the more questionable parts of computerized living.

12:10 p.m.

Members know right now there is a problem with assessment programs, reassessment pro-

grams and market value assessments. People complain to me that one of the problems is they do not really have a good idea why this is happening to them. One of the reasons it happens is, if one goes to city hall to get a building permit, sooner or later someone in the assessment department will visit and say: "You had a building permit. You must have improved something in your house and so we are going to do a reassessment." The guy says: "Yes, but the fellow across the street did something two years ago. Is he being reassessed?" He may or may not be; so there is unfairness there.

When one gets into whole-hog reassessments, as we have seen in certain parts of Toronto, one gets people saying, "How can I be reassessed when nobody came to reassess me?" There is visual reassessment and then one learns about the joys of going off to the appeal courts and seeing what a wonderfully fair system that is.

What the minister is making an argument for here is that he is eventually going to get away from all these interpersonal relationships which occasionally cause conflict on the streets, in the appeal courts and in the Legislature. If we do all this by computer, one may get stabbed in the back once again but the pain will not be felt until one gets his latest assessment notice. So there are problems here.

I am not making an argument against the use of computerized technology, particularly in this field, because I recognize its value. But I do want to say that potentially there can be a serious problem by removing personal relationships. As the government more and more gets into the use of this technology, in its sense and in a business sense, it will become more efficient; it will have the hardware to provide rapid information to a lot of folks.

I am making the argument that this is not always a good thing. There is a down side to it. If one forgets to explain to people in their houses and in the streets exactly what this information is being used for, exactly how much information one has and what the ramifications are, there is a problem. It may be more efficient to try to sort that out from the ivory towers of Queen's Park, but I think we are going to have problems in that regard.

I want to talk a little about some of the remarks the minister made about reassessment in 349 municipalities. It seems to me that some of what had been proposed by various ministers along the line is getting close to happening, particularly for the big nut, Metropolitan Toronto.

If that model is accepted by Metro, it does not

really matter whether the city of Toronto does not want it; the ministry is on the verge of putting that whole reassessment program in place along with market value assessment. If the municipality of Metropolitan Toronto nut is cracked, that is almost the death-knell for everybody else. Most of us who have followed this program of assessment under section 63 know that, wherever that one has gone into place, there have been problems.

In accepting the global argument that it does not really matter what system is used, whether it is market value assessment or some other assessment; if everybody is treated the same way and if the rules are the same for everyone, one could move to almost any system of assessment. As long as everyone gets the same kind of treatment, it perhaps could be fairer than the current technique which, frankly, I have never understood and which I am not too bothered about moving away from. My concern is that the process be a fair one.

When this one hits full force, there are going to be a lot of folks really upset with the government of Ontario. I give warning that I reserve the right to be critical of the models that have been proposed, and of the amounts of money that are used up, to get to that new assessment process.

I always like it when one asks ministers questions about how much something costs, because one gets a good variety of answers. I seem to recall it was last spring we were asking the minister how much the preparation of the model here in Metro Toronto was going to cost, because we were getting reports that virtually the entire system had shut down to move into Metro to prepare this model. If I recall correctly, the minister said at that time that it would cost \$1.5 million to \$2 million and that the model would be prepared by approximately late August. Perhaps he could update us on where that model is and what the exact cost of it was.

I have seen estimates of the cost go from \$1.5 million to just under \$5 million. Having seen the preparation of these numbers at various stages coming from both sides of the table, I know it is not difficult to take a few costs out here and a few folks out there and move the numbers up and down substantially. I know the minister would never do that directly, but I am sure that he would yield to civil servants who are doing it indirectly every single day of their lives.

It would be interesting to get a second and third set of numbers on precisely what that little project really cost. Then perhaps we could all sit

down with our own set of numbers, pick a median and come close to accuracy.

Mr. Nixon: You're doing a great job.

Mr. Breagh: I thought so. I thought so.

Mr. R. F. Johnston: That's right; especially for Friday of a tough week.

Mr. Breagh: Another case of tough restraint is when the minister talks about his prototype systems and the business system which, when he implements it, will involve a comprehensive training effort and orientation programs. He states that the estimated cost for developing this system is only \$4.8 million. They always follow these estimations with a few words such as, "an expenditure already carefully justified in our Management Board submission." That is how one gets to spend \$4.8 million; one says afterward that he thought about it for a long while and that it was carefully justified.

Again, once you get off the first page of this statement where he talks about his constraint program and you get into the details, it is hard to find out where he saved money or where he spent less than he did the year before. I want to discuss the tax revenue in particular and the arguments we had in the latter part of the spring session, just after the minister's budget.

We talked about how much retail sales tax he was going to generate, and I have not seen final numbers on that, although I will be interested in whether that spreading of retail sales tax to other items really succeeded in doing what the Treasurer (Mr. F. S. Miller) said it would do; that is, generate a lot more money for Ontario. Or did it accomplish what the people who were faced with the collection of this retail sales tax said it would, which was that some businesses would suffer and that while more people would be taxed, the volume was going to drop and the net effect would be that while retail sales tax was extended to include items that were previously not covered, the money coming in would not be greater.

I followed with some interest the organizations, such as the Ontario Restaurant and Foodservices Association, which gave one set of numbers, and people like the Treasurer, who refuted their numbers. The Treasurer may be a very wise person, as is the Minister of Revenue, but I tend to think the person at the cash register is going to know a little more accurately how much money they took in. They may not have quite the sophisticated staff and hardware that the ministries have, but in my view, if I want to know how much a restaurant is taking in, the

best person to ask is the guy in the restaurant. He is more likely to have more accurate information.

I want to follow that, if I can, through this wonderful system we are developing, to see whether the Treasurer was successful in gathering more money from more people or whether, in effect, he wound up with something that did something other than what he intended; that is, picking up less money perhaps from more people, but in actual cash dollars, fewer.

The minister went on at some length to explain the tax grants for senior citizens and how wonderful they are. I have to join with the member for Rainy River (Mr. T. P. Reid) in saying that I do not have quite as many people complaining about that tax grant system. But I suspect that is because the advertising program has eased up somewhat. If I were looking for a reason as to why I have not had as many complaints, I believe I would find that my people are not reminded of the programs quite as regularly as they were. These people do not understand how modern governments work, and that is the basic problem. None the less, that was not this minister's fault. He just is around to carry the pail and to see how things work out in the end.

12:20 p.m.

The other justification that I thought was really nifty was near the latter part of the speech when he was getting tired. He pointed out that the figure of \$74 million "includes one-time funding for a number of items and projects which will not require further funding commitments in subsequent years." Again, that is the same technique being used. I just want to point out that somehow you believe you can justify an expenditure of \$74 million if you follow it by saying, "We are only going to do this once." Somehow that makes it less than \$74 million. I do not follow the logic of that and do not intend to.

On the next page, he whips through a couple of numbers, such as \$1.86 million for implementation of the proposed farms and managed forests property tax reduction program, "which was subsequently deferred and the funding withdrawn from our budget." That is the cost you get into with that kind of program. I am always amazed at how much money it costs the government to defer, to reduce and to give back money; how expensive that business really is.

On the same page, the minister pointed out that \$1.7 million is for the initial cost to produce a tax impact study for Metropolitan Toronto

council. I would like to pursue that later on as we add up the other numbers that might be there other than the initial cost and the true ramifications of that.

I want to point out a couple of problems about using assessment rolls for generating revenue and the use of enumeration rolls for municipal elections.

A couple of things were brought to my attention about enumeration in this trip around the block, the usual kinds of problems everybody is going to have until you move to some kind of permanent roll. Every time you put together a group of people to do an enumeration, there is an on-the-street process that is going to have some problems. There is no way to get around that until you become a little more sophisticated. Perhaps when the minister gets some of this hardware in place and we have everything computerized, that will be a little easier and more accurate.

One problem was pointed out to me by people who are participants—again, this is the way government likes to work—participants by virtue of being separate school supporters. They were using a technique that allowed one member of the family to lease a portion or all of a residence for the purpose of paying separate school taxes. It is another little technique devised in the 1970s—it was when I was teaching; so it must have been in the late 1960s or early 1970s. For purposes of taxation, it allows you to split the money between the public and separate school boards or to have people who are not Catholics direct their money to the separate school system.

One of the things pointed out to me was that apparently the assessment department has a ruling—one I do not understand—which says that even though you give your tax money to the separate school system, if you are not a Catholic you cannot vote for the separate school board. I was wondering how they determine whether or not you are a Catholic and whether the assessment department had devised something that has escaped the Catholic Church for centuries; that is, a means of determining Catholicity. I am sure they have. I would be interested in seeing their definition.

One of the things I might suggest to the minister—and it would involve changing regulations, legislation or somebody's mind—is to use a simple process. If folks are paying taxes to a separate school system, it strikes me they have a right in a municipal election to cast a ballot for a separate school board. I know that probably

does not fit into a computer, and I am sure it is too simple; but it seems reasonable.

I know the Minister of Municipal Affairs and Housing (Mr. Bennett) has a thing that if you own property and you pay municipal property taxes, you ought to get a ballot for every piece of property you own. I do not want to be caught being consistent with the Minister of Municipal Affairs and Housing, but it is reasonably consistent with some of his statements in that regard, that at least for this one small piece of work you do in enumeration and in your assessment offices, you might accept that principle: if they are supporters of a separate school system, they will be allowed to vote in a municipal election for a separate school board.

When one looks at the number of appeals the assessment department really faces, one gets some concept of what a big job it has to do. There are something like 150,000 appeals annually. That is something that points out there are problems in that whole field which may or may not be dealt with by the use of computers.

The other thing that gets to the argument of whether we have a fair municipal tax base is the use of the assessment program, to use the minister's words, "to improve the integrity of the assessment base, thereby reducing municipal tax base erosion." I must admit I had to run that by me a couple of times before I figured out exactly what kind of erosion he was talking about and what the relationship was between the two.

I assume the minister is saying the assessment system per se is not exactly perfection as currently practised but, the more one improves it to make it fair and accurate, the more solid the assessment base will be. That may well be true. You may be successful at getting a twofold market value and all that may happen. But, as I see it, the difficulty is that for some time now Ontario has been involved almost across the board in substantially moving to municipal property tax base programs that have never been there.

That is going to cause a lot of problems, because in different fields there now are mandated programs. Ontario is saying to municipalities, "You must do certain things," such as the provision of social services and policing. The municipalities do not have any choice; they must provide the services. Usually portions of the costs of those services are borne by all three levels of government, with the municipalities normally picking up the smaller percentage of the amount.

But we are still loading on to municipal property taxes, on a very large scale, programs that traditionally have not been there or have been there to some lesser degree than we are pretending to put on. Later on, I want to go into that a little, because I think that is a substantial problem Ontario is going to run into. I do not see any real move on the part of the government to alleviate that.

Let me touch on that for a moment. One of the things I have been looking at is the across-the-board basis of revenue. This ministry's revenue is affected by all the other players in the field. When the federal government changes some of its rules unilaterally, this province does a good amount of screaming saying, "That is not fair." Yet the same minister will be collecting more money this year in licence fees, retail sales tax and in a number of ways than he has ever done before from the municipalities around Ontario as part of the Treasurer's budget announced last spring. We went through a set of hearings on that.

It strikes me that someone within the Ministry of Revenue—and I cannot find them on the flow charts, but I am sure that group of folks is there—is putting in place the obvious policy of the Ontario government of shifting these costs from the province itself to the municipalities. Maybe somebody deep in the bowels of some computer is pushing buttons saying, "Find me all the ways we can transfer costs to the municipalities."

For example, if one begins to put together the amounts paid for police costs, one begins to see that just letting the actual costs rise and holding on to the amounts of money the government gives get that spread working. I think that is what we are looking at. This government is very sophisticated about sticking it to municipalities and not being really obvious about it. It is rather nifty the way it goes about that.

Education costs are a good example. Ontario's share has slowly and gradually dropped from about 60 per cent of the average in most municipalities down to about 50 per cent. In addition, just to rub a little salt in the wound, it adds a few new programs. Every school board around Ontario is familiar with the concept: the ministry always says, "This will not cost you any money."

It is doing that with the new Health Protection Act, policing, fire protection, education and social services. It says, "Here is your front-end money in the first year." In subsequent years, the front-end money dissipates and

three or four years down the road they wind up being stuck with the program and with the mandate of responsibility to carry out that program, but they are a little bit short in cash. Where does all that go? That goes back on to the only source of taxation there is, the property tax base. Then the Minister of Revenue (Mr. Ashe) enters, moving in wonderful ways behind the scenes, to change the assessment base to see whether he can extract more money from municipalities from that end.

12:30 p.m.

One of the things I have never been able to do is to get a definitive picture of the money flow back and forth among the province, the municipalities and the federal government. I suspect it is probably costing us a substantial amount of money to move that around between the province, the Minister of Revenue, for example, gathering up retail sales tax from everybody out there, and the municipalities, picking up licence fees and retail sales tax from them as well.

It used to be that in certain specified areas, the province would say to the municipalities: "Listen, to collect our retail sales tax from you is more bother than it is worth. Forget about it. You are exempt." In the last couple of years, I suspect somebody in the ministry said: "Listen, start picking up that money from them. Nickel and dime them. Get that cash back in your coffers." Then, of course, the ministry can do what it really likes to do over there, get a dollar out of them and give them back five cents and they will be happy. Send them out a cheque signed by the Treasurer, take the local member down and have him to present the cheque to the municipality, or to the hospital or the school board, or things like that, and everybody will be just fine.

I really do wonder what the dollar amount is in all of that. We are looking at an economy that is in trouble—no question about that. What we are looking at, at the municipal level anyway, the first run in most municipalities—Mr. Chairman, yours and mine are no different from anybody else's around the province that I can find—is about a 15 to 20 per cent increase in cost locally. How is that going to affect the Minister of Revenue? I do not think there is any doubt we are nearing the limit of what can be squeezed out of the municipal property tax base.

I do not doubt for a moment that some time this winter the Treasurer of Ontario is going to have to turn to the Minister of Revenue and say, "We have got to get some more money out here

because we have some legal obligations to provide social service programs." Those costs are escalating in most municipalities, and certainly in the industrial centres, between 15 and 20 per cent, and we cannot get away from them, because the municipalities have a legal obligation to pay those social services costs.

Here in Metro they are not really doing anything. They are putting a hold on all hiring, putting a freeze on new programs and not cranking up any new services. They are looking at a 14.5 per cent increase right across the board. That is about \$90 million that has to come out of the budget and it is not there to come out. There is no question about it. Police costs, for example, will put them over the five per cent limit without anything else. Police costs alone will be about 5.3 per cent. The same is true around Ontario.

In our own municipality, the social services department is taking a first look at its costs and there appears to be about 16 per cent of an increase. All this is going to change the pattern of revenue flow from the province to the municipalities and dramatically increase, although we have not been able to get numbers on this, the number of people in their homes who say, "I cannot afford to pay taxes, period." We have seen, for example, in many of our industrial areas a substantial increase in the number of people who just walk away from their houses. There is no question about that.

In question period today I asked about Fotomat, one of the many businesses that has adopted as a practice almost what a number of my constituents have done. It said: "Close the doors. Get me out of here. I am going to go somewhere else and the rest of the world can figure out what we do with this particular property." In our area there are something like 1,500 quit claims, for the most part of residences that are condominiums and townhouses. Almost all of them were put up with the co-operation of this government in some sense.

People just back the pickup truck to the door on Saturday afternoon and say, "That's it, I'm leaving." I do not know where they go, but I know that many of those condominiums are still empty and that has to be a drain on the resources of Ontario. Unfortunately, that is going to be spread in this coming fiscal year to a lot of municipalities where people are just going to say, "I can't pay my property taxes."

On things like retail sales tax, perhaps they will be able to say, "I am not going to buy the goods or services and, therefore, I will not pay

the tax in that way." I know, in the kind of economic mire we are in, more people who probably can afford to buy goods and services are saying they do not want to. It happens that I managed to coincide that need for a new car with that aged boyish perception I have that I would really like to have a new car, and went out and bought a new car this fall. Telling myself that I was doing my bit to stimulate the Canadian economy, I bought a Canadian car.

One of the things which really bowled me over was that it cost me almost \$1,000 in taxes at different levels of government on this purchase of an automobile: \$1,000. Wow. No wonder that people do not have jobs—and in the Oshawa area, being the MPP is now one of the more solid types of employment. I used to feel kind of an endangered species there that I did not have any job security at all, but I have to say that if you have job security for another year or so in Oshawa, it looks pretty good. A lot of guys on the line who put in 30 years and thought they had job security are out on the street this winter.

The impact of governments on individuals is substantial. When you look at the cost of a vehicle and the amount of taxes involved in retail sales tax, tax on air conditioners, tax on this, and licence plates and all that stuff before you put the thing on the street, it does not matter what the United Auto Workers will do, or General Motors, the government of Ontario is going to grab you. Hidden away rather neatly in there is the federal government as well. We do not get to see very much of what they grab from you.

Then you put the thing on the street and have an ad valorem tax on gasoline as well. The Treasurer of Ontario and I imagine the Minister of Revenue smile nicely every time the price of a litre or, God forbid, a gallon of gas, goes up. They are happy. They do not care; "a little more money in the kitty for us." That is the best kind of tax, as McKeough used to say, because you do not have to reintroduce it all the time. It is in place and it automatically escalates.

I think the government of Ontario and the Minister of Revenue are going to have to take a look at some of this stuff and the impact it has on how it gathers money and redistributes that money back and forth through the system. Some of it, quite frankly, does not make a whole lot of sense to me. I want to pursue that with individual questions as we go through these estimates, because there are a number of areas where I would like to take a little more time to elicit a few answers from the minister. As we go

through the other votes I would appreciate the opportunity to ask those questions.

Mr. Chairman: That concludes opening remarks.

Mr. Nixon: Very good they were too.

Mr. Chairman: Yes, I noticed how attentively you were listening. Would the minister like to respond?

Mr. T. P. Reid: Dispense.

Mr. Foulds: It will be the first time, if he does.

Hon. Mr. Ashe: Mr. Chairman, I have been making notes, needless to say, very studiously as my two critics went through their opening remarks. You may be happy to know that I have about two and a half pages of notes and points and questions, etc. Possibly it might be in order to try to pick out a few of the items that were general in nature that I can respond to in that way, and leave the very specific vote items to the appropriate votes as we go through.

I guess one of the general items that was raised by the member for Oshawa related to my opening statement per se and the fact that I was going through it quite rapidly. I may just say that I had it timed to be something in the order of an hour and did not impose anything longer than that on the time allocated for my ministry's estimates, so I did go a little faster than I normally would. But it was for the benefit of the members opposite, because I did not want to impose more than approximately 15 per cent of the time on my opening statement.

Having said all that, I know the question would have been, "Why didn't you just cut it in half?" But I think many of the points I wanted to get on the record were necessary because they obviously were the foundation for raising some of the questions and points that have been made by the two critics. Last but not least, I may even have answered the odd question they might have posed otherwise.

12:40 p.m.

There were some general points made about the staffing of the ministry, and again we will leave that to the appropriate vote. Some confusion has arisen in areas to do with staffing to do the job that has to be done. How can I talk about constraint on one hand and increasing expenditures or increasing man-years on the other? The answer to that, in a very general way, is that obviously the biggest part of our increase has to do with the transfer of moneys to others through the programs we operate, particularly the property tax grant, the temporary home heating

grant, which is new, and the sales tax grant. The actual increase in the operating portion of the ministry is somewhat more modest and accounts for a relatively small part of the overall increase in the ministry.

It was also pointed out, in terms of numbers, that I am talking about constraint and at the same time talking about more people, which is inconsistent. I agree, in a blanket statement that is probably so, but when we look at the realities of some very specific decreases in some of the ongoing portions of the ministry that have not had new responsibilities, they are there as well. Where we have increases there are new responsibilities assigned to the ministry, such as the coloured fuel program and the considerable expansion in the retail sales tax base, which meant an awful lot of new vendors who were not on the rolls before. Obviously it takes resources to work with these people and take care of their needs as they arise.

Mr. T. P. Reid: How many people did you have to hire to deal with the expanded retail sales tax?

Hon. Mr. Ashe: I would just as soon we leave that to the specific vote. To be very honest, we set up a new area in the ministry to deal with this new group in the way of an ongoing service, which is not new because we have been working and servicing our retail sales tax vendors on a service basis much more in the last couple of years to implement further and get across to these people who collect tax on our behalf the voluntary aspect of much of our tax revenue system.

That is about all it is necessary to cover at this time.

Mr. T. P. Reid: Two and a half pages and that is all we get.

Hon. Mr. Ashe: No; as I mentioned before, if the honourable member had not fallen asleep temporarily, many of the issues were very specifically oriented to votes and I will leave them until that time. I did take note of them in the interval. I am sure the honourable members would not forget them, but I did not want to forget them either so that we could touch on them at the appropriate time.

If there was one other general observation made by the member for Oshawa, it had to do with the ministry's assessment function and the appeals, and he also referred to the erosion of the tax base. That deserves a little explanation. We have a great tendency around here when we talk about dollars to talk about millions. That is

a lot of money, but you have to put the millions into the context of billions of dollars to see the relationship. Similarly, when we talk about appeals, 150,000 appeals are a lot of appeals that take men, man-hours and resources, obviously, to address. If we put that in the context of the total property assessments in the province, it is relatively small. To conclude that because there were 150,000 appeals there is an untold number of problems out there is a rather unfair conclusion to arrive at.

The same member referred to my comments on the erosion of the tax base and the advantages of having it as current as possible. Just to put a little clarity into this, what I was saying was that there is no doubt it is becoming much more difficult, particularly in the commercial and industrial category of properties, to defend some of the inequities in the assessment base, because over a period of time it has become more and more out of equity with neighbouring or similar types of properties. It is on that basis that there are now, and we foresee more and more, successful appeals in the industrial and commercial sector.

If the tax base, one or two classes of property, industrial and commercial for example, is eroded through successful appeals, what happens? Obviously if a municipality has to raise the same number of dollars you are pushing the revenue needs on to the residential taxpayer. This we foresee as being more and more of a problem where the tax base has not been or is not currently being updated.

Of course, we have offered many programs to municipalities to do that and they have been quite successful. What we refer to as the section 86 program—it is now section 63 of the act, but we still call it the 86 program—has been implemented, I would say quite successfully, in 349 municipalities; and we also have another 138 municipalities that, because of their nature, were able to go to a market value assessment through proclamation.

But there is a difference. There have been references to the idea that we have gone to market value assessment; and again, really we have not. We are going, through the section 86 program, to a market value based assessment, but that is considerably different from going to true market value, which would allow the various shifts that would inevitably take place between classes of property. I think this just further highlights and illustrates the concern I draw to the member's attention vis-à-vis the erosion of one part of the tax base, industrial-

commercial, which in fact would impede and put a further drain on the residential taxpayer.

I think it is extremely important to have a tax base that is as up to date as is reasonable and feasible so it can be defended, so the base available to the municipalities to raise their necessary dollars can be done in a fair and equitable way. With those few general remarks I would appreciate it now if we could move on to the specifics of the various categories.

On vote 801, ministry administration program:

Mr. McGuigan: Mr. Chairman, the item I want to bring up today may in some sense be more appropriate under a later vote, but I want to raise it in the few minutes we have left on the chance the minister could perhaps have an answer to a question that I wish to pose to him when we come to the votes dealing with the coloured fuel program. There is some urgency about it because there is a good deal of concern among users, so I ask that the minister consider the question at this time.

I would like to point out that I am not opposed, nor are the farmers and people who are coming to me opposed, to the coloured fuel program; we all realize that if there are violations and if people are escaping the tax, first of all it is unfair to everyone concerned, and second they have an unfair advantage in the competitive marketplace if they are avoiding that tax.

I might just tell the minister that when I mentioned to a particular fuel dealer I talked to on this subject some of the things that were happening in the marketplace—and these things were revealed to us when we attended the minister's office on October 4—he exclaimed to me: “Now I know why I could never get a certain contract. No matter what I bid on that contract my price was always too high.” I cannot be sure, of course, and neither can he, whether his supposition is correct, but he immediately jumped to the that conclusion, “Now I know why I could never get that contract.”

12:50 p.m.

We have had a number of people come to us, largely farmers, complaining about problems they are encountering in their fuel system. I am not saying at this moment that it is caused by the dye. However, it is only natural that when a person has operated equipment for many years with no problems or very few problems with the fuel system, and suddenly is confronted with problems in more than one of the pieces of equipment, and when he opens up the fuel

system the first thing he sees is the dye in the filter, the assumption is that is the cause.

One farmer's combine died in the field. He walked up to the yard and found that the diesel tractor his son was driving between farms with a load of grain had died on the road too. Both were caused by fuel problems so it is only natural for him to assume the dye was the cause.

We have press reports in the Chatham Daily News that it is a problem on the railroads. Following this up, it was found that the problem was not with one of the locomotives but with some of the diesel engines they operate.

I would like to ask the minister if he would, as quickly as he could, put together a team of people to investigate these problems to see if the dye is the root of the problem. Perhaps it would be well for him to bring to the attention of the Minister of Energy (Mr. Welch) so that his department could investigate the matter rather than the Ministry of Revenue. I do not know where the particular resources are, but surely there are people out there who can do this work.

Because I visited the place a number of years ago and know there is a fuel laboratory there, I suggest going to the University of Western Ontario. I am sure our fuel companies have labs for this. They may even have them in the government. Surely there are methods of finding the answer to this problem and ending the uncertainty. It may very well be that something else has been introduced into the fuel system. Perhaps during the changeover from the clear fuel to the coloured fuel some chemical or physical reactions have taken place that we know nothing about.

I would also ask him to publicize to people who are nervous about this problem and who have thousands and thousands of dollars worth of diesel equipment involved, that until we have solved the problem and have come up with a definitive answer, they can still continue to use the clear fuel, pay the tax on the clear fuel as they receive it and then claim a rebate and receive the tax money back; provided, of course, the fuel has been used in the proper way. That might be a method of gradually phasing in the operation of your current fuel program rather than bringing it in suddenly and causing apprehension, discussion and so on among the people.

I have other subjects that I would like to speak about but because this is of certain urgency I would again ask the minister to see if he can have an answer for us by next week as to whether he can go forward with an investigation. I will close on that and turn the matter over

to other members, bearing in mind I hope for an answer on this next week.

Hon. Mr. Ashe: Mr. Chairman, I think it would be appropriate that I respond at least in an interim nature on this particular point that has been raised. First, there has already been testing through the Ministry of the Environment on this issue of dyes. Contrary to the views of some, this business of coloration is not new. We are one of the last jurisdictions in Canada to go to coloration. The kind of dye that we are using is not new.

If I remember correctly—I will verify this—we are using the same dye that has been used in Quebec for some time. We are not using exactly the same dye that is being used out west, but I would suggest that the equipment etc. that is being used in Ontario within the farming community, and diesel equipment generally, is not dissimilar to what is being used in other areas. I do not think the source of any possible problem is the dye itself.

We also did tests to prove that the dye is combustible at a lower temperature than the fuel of which it is part. In other words, it should be the first thing to burn off without any residue. I must honestly admit there have been more and more concerns brought to me in the last couple of weeks, by members on that side as well as this, that people are having some problems, particularly with tractors and usually related to filters.

The only thing that has been suggested, and it is the only thing we can put it down to, is possibly there have been some people at the distribution level who, when dyeing existing stock, have not been too careful to keep it to the 20 parts per million or very close thereto that is supposed to be the amount added. Frankly, I have even had a suggestion that a distributor came up and literally dumped dye and there was no relationship. Whether that proves to be true or not obviously remains to be seen.

Quite rightly, this is of great concern. I would

presume that if, for example, a dye that is no problem at 20 parts per million suddenly became 200 parts per million, maybe that could cause a problem. We are trying to track that down. I would hope that next week I can get back to the honourable members with a better explanation than that. At the moment, it would appear that can be the only possible cause of problems.

I would also think that in some instances—I am not suggesting all—if anybody had any problem with a piece of equipment, say it gave a little cough that he had not heard the day before, it was very easy and simple to say, "Oh, that must be the coloured fuel now."

Mr. Elston: It is more than just a cough if they have to take 45 minutes to correct the problem.

Hon. Mr. Ashe: No, no; I have acknowledged the actual filters and so on seem to have been affected. We are investigating that to the degree that we can to see if that might be the basis of the problem. If it is, we hope it is a temporary problem that will be gone once the fuel that is coloured well back in the system is taken care of, because obviously there will be much more control in putting in the right quantities.

Mr. Elston: Would you comment on the health aspect?

Hon. Mr. Ashe: As far as the health aspect is concerned, of course, that was part of the testing that was done. There was no indication whatsoever of any health problems, even if it was part of a fuel that was being burned internally; that is in a kerosene heater or something along those lines. We did take off the obligation to colour the kerosene that is sometimes being used in internal heaters until there can be even further testing to see if there is any indication of a problem. We have already done that. We did it some time ago.

On motion by Hon. Mr. Ashe, the committee of supply reported progress.

The House adjourned at 1 p.m.

APPENDIX

ANSWERS TO QUESTIONS ON NOTICE PAPER

COMMUNICATIONS PERSONNEL

464. Mr. Spensieri: Would the Solicitor General specify: (1) the number of employees directly responsible for communications with the public and press and total salaries in the ministry's communications/information branch and any of its agencies, boards and commissions for the fiscal year ending March 31, 1982; (2) the number of clerical and support staff who assist communications officers and their total salaries for the fiscal year ending March 31, 1982; (3) the number of employees directly responsible for communications with the public and press and total salaries in the ministry's communications/information branch and any of its boards, agencies and commissions for the fiscal year ending March 31, 1972, if applicable; and (5) whether the minister has a personal media adviser or advisers and, if so, what salary or salaries the advisers received for the fiscal year ending March 31, 1982? [Tabled September 29, 1982]

Hon. G. W. Taylor: 1. There were eight employees directly responsible for communications with the public and press in the ministry's communications/information branch and its agencies, boards and commissions during the fiscal year ending March 31, 1982. Their total salaries were \$202,594.56.

2. There was one clerical and support staff who assisted communications officers during the fiscal year ending March 31, 1982. The salary of the staff member was \$15,642.53.

3. This ministry was not formed until April 1, 1972.

4. This ministry was not formed until April 1, 1972.

5. The Solicitor General does not have a personal media adviser.

TRAVEL BY MINISTERS

534. Mr. Conway: Would the Minister of Industry and Trade indicate: (a) all out-of-province travel done by the Minister of Industry and Tourism from January 1978 until December 1981; (b) the exact cost and expenses incurred by or on behalf of the minister for each of these enumerated out-of-province trips; and (c) the reasons for all such travel? [Tabled October 12, 1982]

Hon. Mr. Walker: The following is a list of

out-of-province travel done by the Minister of Industry and Tourism from January 1978 until December 1981. The list provides the places visited, the names of the ministers and reasons for the travel. The details of such transactions are shown in volume 3 of the Public Accounts of Ontario.

The member will understand that the provision of more detailed information would be extremely expensive and time-consuming.

September 14-24, 1981; Hon. L. Grossman; Australia, New Zealand: to accompany Premier Davis on trade mission to Australia and New Zealand.

June 5-11, 1981; Hon. L. Grossman; France: meetings related to aerospace industry, participation in Paris Air Show.

May 6-7, 1981; Hon. L. Grossman; New York, USA: to attend annual meeting for CEOs of member companies in corporate environment program of Hudson Institute.

January 14-15, 1981; Hon. L. Grossman; Winnipeg, Manitoba, and Regina, Saskatchewan: speeches to Winnipeg/Regina Rotary Clubs, attend Canadian common market ministers' meetings.

November 16-19, 1981; Hon. L. Grossman; Frankfurt, Germany: an investment seminar conducted with the Commerzbank, Frankfurt, addressed to the German business community.

September 4-6, 1980; Hon. L. Grossman; Winnipeg, Vancouver: attend Canadian common market ministers' meetings.

June 1-4, 1980; Hon. L. Grossman; Geneva, Switzerland: Geneva trade mission, SITEV auto show.

April 8-10, 1980; Hon. L. Grossman; Dallas, Atlanta: official opening of government of Ontario office in Dallas.

February 27, 1980; Hon. L. Grossman; Edmonton, Alberta: meeting with Alberta Minister of Economic Development.

January 16-February 9, 1980; Hon. L. Grossman; Australia: Australia trade mission.

January 3-6, 1980; Hon. L. Grossman; Florida, New York: symposium for Canadian provincial and US state legislative leaders, attend meeting at Hudson Institute.

October 17-18, 1979; Hon. L. Grossman; St. John's, Newfoundland: federal-provincial ministers' conference.

September 16-21, 1979; Hon. L. Grossman;

Amsterdam: to accompany Premier Davis on official visit to Belgium and the Netherlands.

July 20, 1979; Hon. L. Grossman; New Brunswick: ministers' meeting.

June 18-22, 1979; Hon. L. Grossman; Israel: attend Technology '79 trade fair.

May 11-20, 1979; Hon. L. Grossman; Japan: trade mission to Japan.

April 29-30, 1979; Hon. L. Grossman; London, England: to review role of ministry's European offices.

September 19-28, 1978; Hon. J. Rhodes; Egypt, Sudan, Iran: trade mission.

February 8-12, 1978; Hon. C. Bennett; Montreal, Quebec: to attend Quebec carnival and meet with PQ tourism officials.

FREEDOM OF INFORMATION

591. Mr. Breithaupt: Would the Provincial Secretary for Justice table the total cost, along with a comprehensive breakdown of expenditures, of the task force created on September 29, 1981, to draft a position paper with accompanying legislation respecting freedom of information and individual privacy? [Tabled October 22, 1982]

Hon. Mr. Sterling: Attached please find breakdown of expenditures in connection with the task force on freedom of information, to date.

Salaries and wages: \$57,300 through March 31, 1982; \$7,830 to date 1982-83 fiscal year; total \$65,130.

Benefits: \$3,700 through March 31, 1982; \$1,509 to date 1982-83 fiscal year; total \$5,209.

Other DOE: \$27,300 through March 31, 1982; \$522 to date 1982-83; total \$27,822.

Total 1981-82 \$88,300; total 1982-83 to date \$9,861; grand total \$98,161.

HOSPITAL BEDS

650. Mr. McClellan: Will the Minister of Health table the current number of hospital beds, broken down into: (1) acute treatment beds; (2) chronic care beds; (3) extended care nursing home beds; and (4) extended care homes for the aged beds? [Tabled October 27, 1982]

Hon. Mr. Grossman: As of August 31, 1982, there were:

Acute treatment beds (including psychiatric) 36,597;

Chronic care beds (including rehabilitation) 12,872.

Extended care: nursing home 28,712; homes for the aged 12,881.

Total 91,062.

INTERIM ANSWERS

548, 647, 648, 651 and 657: The following statement was prepared under Cabinet Office letterhead:

The government will attempt to provide an answer to as many questions as possible before the adjournment of this session.

It should be noted, however, that the tremendous increase in the number and complexity of questions placed on the Order Paper would require that increased amounts of time and manpower be diverted from present assignments in order to provide the information requested. An alternative would be to increase the resources allotted to the performance of this function. At a time when the government is endeavouring to adhere to an ongoing restraint program, neither course of action would seem to be appropriate.

Should there be questions that cannot be answered in the remaining weeks, given these circumstances, members should note that sources other than the Order Paper may be utilized as part of the search for such information.

For example, the Public Accounts of Ontario will be of assistance in regard to many of the questions dealing with expenditures. Questions of this nature can also be directed towards the ministers responsible for such transactions during the estimates process.

All honourable members enjoy access to the research and information services provided by the legislative library, and the Liberal and New Democratic parties each possess their own research capabilities funded through the budgets accorded both parties.

It is hoped that through a combination of these approaches, with the full co-operation of ministers and members, all honourable members will be able to attain the information that they seek.

Every effort will be made to answer the following questions on or before December 17, 1982: 548, 647, 648, 651, 657.

644 to 646: Hon. Mr. Pope—The replies to questions 644, 645 and 646, Order Paper 101, will be available on or about December 17, 1982.

652 to 656: Hon. Mr. Pope—The replies to questions 652, 653, 654, 655 and 656, Order Paper 107, will be available on or about December 17, 1982.

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No. 149

ONTARIO LEGISLATIVE ASSEMBLY

Legislature of Ontario Debates

Official Report (Hansard)



Second Session, Thirty-Second Parliament

Monday, November 22, 1982

Afternoon Sitting

Speaker: Honourable John M. Turner

Clerk: Roderick Lewis, QC

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LEGISLATURE OF ONTARIO

Monday, November 22, 1982

The House met at 2 p.m.

Prayers.

DESCRIPTION OF MEMBER FOR RAINY RIVER

Mr. T. P. Reid: Mr. Speaker, since there seems to be a short hiatus here while the Treasurer (Mr. F. S. Miller) is getting his statement, I will rise on a point of personal privilege.

In this morning's Globe and Mail a column written by Orland French refers to the member for Rainy River as "slightly rotund." Having checked the Webster's dictionary and looked up "rotund" this afternoon just before the question period, I found that "rotund" is defined as "full and sonorous." Having looked up "sonorous," I found that it means "imposing and impressive in quality and style."

I thought I would bring that to your attention for fear you might think "rotund" had some kind of physical connotation.

Mr. Speaker: I am sure Mr. French will take note of that and correct it, perhaps, at the earliest opportunity.

DISPOSAL OF NUCLEAR WASTES

Mr. Kerrio: Mr. Speaker, I want to raise this matter on a point of privilege, and I am pleased that the Minister of the Environment (Mr. Norton) is here.

On November 17, the Hamilton Spectator had an article that read in part as follows: "US authorities may still establish a radioactive waste dump within five miles of the Niagara River despite assurances to the contrary by Ontario's Environment minister, Keith Norton."

I raised this very important matter with the minister on October 7 and, subsequent to a statement he made, I questioned him again on the matter. You can appreciate, Mr. Speaker, and I am sure all the people of Ontario are very concerned about what is happening in this instance, and there seems to be some controversy. Mr. MacBain, the federal member, said the Minister of the Environment had laid the problem to rest.

Mr. Speaker: Order, please. This is not really

a matter of personal privilege, as you are aware. However, I have allowed you to go as far as you did to alert the Minister of the Environment to your concern, and I am sure that at the appropriate time he will respond to you.

EMPLOYEE HEALTH AND SAFETY

Mr. Martel: On a point of order, Mr. Speaker: Standing order 27(a) states: "The minister may take an oral question as notice to be answered orally at a later sitting." I have raised matters on at least eight occasions—on October 19 Westinghouse, on October 25 Trailmobile Canada, on October 25 Westinghouse. On October 26 my colleague raised the matter of the Essex County Board of Education; on November 1 I raised the matter of Westinghouse with respect to lead assessment; on November 2 I raised the matter of Dresser Canada; on November 4 I raised the matter of Trailmobile Canada; on November 8 I raised the matter of Canadian General Electric and cancer found in 24 out of 50 women at the Dufferin Street plant; and on November 15 I raised the matter again.

The rules are quite specific and indicate that if the minister does not answer on those given occasions, he will answer later. I am still awaiting responses to those questions, which are of very serious importance to the workers involved in terms of what is happening to their lives in the work place with respect to health and safety. The minister indicated he was going to respond. I am still awaiting responses to all those questions.

Mr. Speaker: I will call the honourable member to order because that was not, in fact, a point of order. But you have alerted the minister to your concerns. I am sure you are aware of this, as everybody else is, but I direct your attention to standing order 27(i) as well.

Mr. Martel: The minister has not declined. He promised to answer.

Hon. Mr. Ramsay: Mr. Speaker, it is quite true that I did not decline and that I did make a commitment. I agree with the honourable member. These issues are extremely important and, because they are very important, serious and complex issues, they just cannot be followed up on immediately. It takes a great deal of research and investigation.

In that respect I wrote to the honourable member approximately a week ago indicating in the case of two of them, Westinghouse and Trailmobile, that because they were extremely complex, I thought it might be beneficial for the member and his colleague or colleagues to come in and meet with me and members of the occupational health and safety division, because it would be virtually impossible for me to give a complete report here in the Legislature.

I also wrote a similar letter just on Friday in respect to Canadian General Electric, which is another of the cases he mentioned. If he wishes me, or if you wish me, to report in the House, I will be happy to do so, but they will be very lengthy reports. That is why I thought it might be more appropriate to sit down at a desk with those interested and to spend a whole afternoon or even a whole day, if necessary, going into the complexities, because these are complex, important and serious items.

I was planning to seek your guidance on that point tomorrow, Mr. Speaker, and to have with me reports that add up to several pages, to see whether you wish me to present them in this House, verbally, whether you wish me to table them in this House, or whether you wish me to meet with the honourable members, as I earlier suggested.

Mr. Speaker: I think the standing orders are quite explicit on that matter. I direct to your attention that, where any answer requires a lengthy statement, the statement shall be given under statements by the ministry. However, if it is your pleasure and the pleasure of the member for Sudbury East (Mr. Martel), it may be better and more beneficial for the two of you to sit down and go into this in its entirety.

Mr. Martel: Mr. Speaker, might I ask for your indulgence for a moment?

Mr. Speaker: We have dealt with the matter. I have allowed the minister to respond. I think this would be better handled under oral questions, actually.

2:10 p.m.

STATEMENTS BY THE MINISTRY

JOB CREATION

Hon. F. S. Miller: Mr. Speaker, today I am pleased to announce actions this government will undertake to stimulate employment in the province over the next months.

This government has consistently maintained that governments alone cannot solve the unemployment crisis in this country. Only a world-

wide economic recovery is going to bring permanent relief to the unemployed in Ontario. To pretend that with our limited resources we can eliminate this problem entirely would be a deception.

What we intend to do today is to show that our role is to build bridges between the difficult times we face today and the certainty of a healthier, more vibrant private sector in the future, one that is going to be a source of permanent jobs for Ontarians.

The \$150-million job creation program I am announcing today is the result of a detailed examination of the problem as well as various options available to us. It had been my hope to come before this House sooner. However, we had to see how the federal government planned to tackle this national problem first.

In outlining the details of our program, I first want to stress that our \$150 million will help create nearly 38,000 jobs in Ontario. The creation of these jobs is part of an ongoing effort by this government.

In the spring budget, I introduced a special employment stimulation program which was funded at \$171 million. This program, co-ordinated by the Board of Industrial Leadership and Development, included accelerated capital works, additional funds for youth employment, farm improvement programs and a co-operative projects employment fund which combines with unemployment insurance funds to pay for short-term employment projects.

In total, these short-term job creation programs have been successful and have created 33,000 temporary jobs. I am tabling today a progress report on those job creation initiatives.

I also wish to note that this employment stimulation program was additional to our ongoing special programs for youth employment which are providing some 84,000 seasonal jobs for young people in Ontario this year alone.

We have also taken other important steps to create jobs in Ontario, including the small business tax cut and the renter-buy program.

As part of our ongoing effort, I am allocating a further \$50 million in this fiscal year to develop 7,500 immediate new jobs in the province. This additional employment stimulus will come from a range of provincial spending initiatives.

The many projects involved have been selected to ensure benefits throughout the province, and most will be modest in size and reasonably labour-intensive. Besides providing much-needed jobs, these initiatives will result in long-term

benefits in the form of improvements to our public capital.

This program also will include an additional \$10 million this fiscal year to increase Ontario's participation with the federal government in the programs under the Unemployment Insurance Act aimed at providing useful work and enhanced industrial training for those currently receiving unemployment insurance benefits.

As was the case with our earlier job creation initiative, these projects and the one I will refer to shortly will be co-ordinated by the Board of Industrial Leadership and Development.

This immediate, \$50-million employment stimulation program is targeted for the difficult winter months and will form an important bridge between the programs initiated in my May budget and the implementation of our joint actions with Ottawa in the coming year. It is that aspect of our job creation program to which I now want to turn my attention.

On Wednesday last, my colleague the Minister of Labour (Mr. Ramsay) and I met with the Honourable Lloyd Axworthy, federal Minister of Employment and Immigration, to discuss Ontario's co-operation with the new employment expansion and development program. The federal government has asked all provinces to join with it in an 18-month, short-term job creation program. It hopes this will increase the program's effectiveness.

When I met with Mr. Axworthy, I reiterated my concern that Ontario's allocation under the new employment expansion and development program does not sufficiently reflect an understanding by the government of Canada of the seriousness of unemployment in Ontario.

After all, it is the federal government which bears the overall responsibility for dealing with the employment situation because of its responsibility for national fiscal, economic and monetary policies. It is these policies, far more than anything we can do at the provincial level, that influence the rate of unemployment and economic growth in Canada.

However, as I indicated following our meeting, the response of this government to this particular federal initiative is generally positive. We believe that all levels of government must co-operate to make the best use of public resources in this troubled economic climate.

It is the federal preference at the moment to limit the Canada-Ontario employment program to people who are unemployed and have exhausted their unemployment insurance benefits or who are in receipt of social assistance. I

have expressed my concern on this aspect of the program and believe that there should be more flexibility in determining eligibility.

Projects in this program can be sponsored by the federal government departments and agencies, municipalities, voluntary nonprofit organizations, businesses and unions as well as provincial departments and agencies where provinces participate in the program. Projects will last a minimum of 12 weeks and a maximum of 12 months.

The federal government has allocated \$130 million to Ontario under its new employment expansion and development program. However, \$30 million of this amount has been set aside for direct federal projects in Ontario and additional funds have been earmarked for program administration. The balance will be available for the jointly supported activities.

As has been reported, I am prepared to commit up to \$100 million of provincial funding to this co-operative program; this amount will match the funding by Ottawa for cost-sharing of eligible job creation projects.

In total, we estimate that this federal-Ontario initiative will create some 30,000 temporary jobs in Ontario during the course of the program, and remember that is 18 months.

The provincial responsibility for administration of the program will be assumed by my colleague the Minister of Labour, who is the chairman of the cabinet committee on manpower and a member of BILD.

The province will place a high priority on ensuring that a substantial amount of this fund flows to local government projects. Consequently, I have asked my staff to sit down with federal officials to design the appropriate application forms for the municipal sector and have them in municipal offices as soon as possible. In a similar manner, we will be working diligently to finalize the program in respect of other sponsors or projects.

I expect we will be able to make a joint announcement concerning further program details shortly.

Before concluding, let me point out that the Premier (Mr. Davis) has been calling for a national job creation program ever since the first ministers' conference last February. He repeated that call again at the August Premiers' conference, and he indicated Ontario's willingness to participate in such a program.

Accordingly, this current employment initiative by the federal government is a welcome step. None the less, we do not see these responses

as the end of the process of building an overall economic recovery plan for the nation.

For our part, we will be continuing our discussions with the federal government to develop a comprehensive economic strategy that will set this country on a new direction in economic policy.

So far, the federal Minister of Finance, Marc Lalonde, has shown promise in reversing the direction of earlier approaches that would have proved so detrimental to business and consumer confidence in Canada.

He now has the opportunity to set a fresh and positive direction for our country's future in his first budget. Over the next few months I look forward to working with and consulting with Mr. Lalonde in this regard. I especially look forward to the proposed meeting of finance ministers in December.

The \$150-million employment program which I have announced today is a positive step in relieving economic hardship in Ontario. Combined with the job creation actions in my May budget, I believe what we have announced today demonstrates that we have taken substantive measures to tide Ontario's unemployed through what has been a very difficult year.

I wish to conclude on an optimistic note. As I indicated at the outset, the real solution to unemployment lies in permanent jobs that only the private sector can create. I am confident that as a result of improvements in the international economic situation, lower interest rates and an apparent change in the direction of federal policy, plus Ontario's continued efforts to create a favourable investment climate, we will see improved economic prospects in 1983.

2:20 p.m.

WASTE MANAGEMENT

Hon. Mr. Norton: Mr. Speaker, today I would like to inform the honourable members that we are launching a major review and overhaul of all aspects of waste management in Ontario.

While we have made steady progress in dealing with wastes, we now have reached the point at which the effective development of this important area of environmental protection requires a master plan with a necessary element of adaptability.

I intend to involve a broad range of public and private sector interest groups in mapping out this, our Blueprint for Waste Management.

The management of wastes in Ontario is a complex challenge that goes well beyond the sphere of government control. We as individu-

als handle and deal with a continuing flow of wastes from our homes, businesses, stores and offices. Our factories and industries are responsible for a broader range of materials, which range from harmless ash and solids to the toxic and corrosive chemicals that now form the greatest potential threat to our environment and wellbeing.

I have set up a special working group in my ministry to review all existing waste management practices, programs, policies and controls, including legislation, as a step in developing a co-ordinated series of proposals for change. I am inviting any interested citizens or organizations with suggestions or areas of concern to send me their written submissions directly. These will be considered in developing our proposals for change.

Our proposals will be tabled and published for public review in about six months under the title *Blueprint for Waste Management*. We will then invite further submissions from the public in reaction to the blueprint proposals.

At the same time, my staff will review the proposals in detail with a full complement of concerned or affected groups and interests, including municipal, environmental, professional, industrial and commercial agencies and associations.

Finally, we will apply this information to turn the proposals into firm policies backed by an effective action program and to implement our *Blueprint for Waste Management*.

In my own mind, I have established some broad principles that I want satisfied in any waste management program in the 1980s. I have laid down these general objectives as a foundation for progress:

The garbage we discard must not contain significant quantities of economically recoverable and usable material resources. We must end our throwaway outlook and recycle and re-use.

Those who are responsible for producing, handling and disposing of wastes must be accountable in some way for the way they execute their responsibilities.

As responsible parties, we must be informed on the issues and take an active part in the decisions that must be made to resolve them.

Finally, our disposal practices must ensure that our discarded wastes are either made innocuous or sealed away so that they will never threaten our environment or our wellbeing.

In keeping with these principles, we have established some key working objectives. They

are, in brief: active public participation; consistent, long-term planning co-ordinated with overall land use planning; a minimum use of landfill; perpetual care of all wastes; firm control through legislation, regulation and guidelines, consistent with maximum flexibility, given the diversity of this province; research and optimum use of up-to-the-minute, worldwide scientific knowledge; and processes that ensure that waste, once disposed of, does not again damage the environment or put the public at risk through human interference or natural processes.

I expect to make sweeping changes in the way we deal with virtually every waste that is produced and hauled away from a source in Ontario.

My staff is preparing a fact sheet, which will outline our philosophy, our objectives and the planning processes we will follow. This will be available this week for members' information and for any group or citizen interested in the future course of waste management in Ontario, particularly for those who may wish to participate.

ORAL QUESTIONS

JOB CREATION

Mr. Peterson: Mr. Speaker, I have a question for the Treasurer. To preface my question, I must say that I find his statement to be the most confusing I have ever seen. As I try to sort through it, perhaps he will be so good as to correct me if my impression wrong.

The Treasurer is putting aside \$50 million for this year, only up until the end of this fiscal year, to create some 7,500 jobs, as I understand it. Given the fact that we have 532,000 unemployed now, and given the fact that in the past two months we have lost some 60,000 jobs in this province, indeed close to 1,000 jobs a day, is my assumption correct?

Is my assumption also correct that in total the Treasurer is putting in \$150 million, \$100 million of which will be applied to the next fiscal year, and that this will create some 38,000 jobs at a cost of \$3,985 per job? At \$4 per hour, 40 hours a week, this would mean roughly a total of 25 weeks of work to those people. Is that what the Treasurer has given us today?

Hon. F. S. Miller: Mr. Speaker, since the Leader of the Opposition's summary is reasonably accurate, the statement probably is not as confusing as he alleged it was. Yes, \$100 million of Ontario money will be put up to match the \$100 million of federal money in a joint program for the 18-month period beginning in January. That is roughly when the federal government

sees itself as being ready to accept the management of that program.

The Minister of Labour (Mr. Ramsay), who is the chairman of the cabinet committee on manpower, would be in a position to co-ordinate our work with the federal government, because Mr. Axworthy is the other half of that.

There is \$50 million of Ontario money for the balance of this fiscal year. On the basis of dollars per week, that is probably the greatest input of money and in no way does it restrict our future action. It is during this fiscal year for the kinds of projects we talk about in the statement.

In addition, there is \$30 million of federal money that the federal government intends to spend over the next 18 months on projects completely chosen and managed by it.

The sum total then is \$200 million jointly, \$50 million by Ontario and \$30 million by the federal government, for a total of \$280 million for job creation in Ontario. To that will be added whatever moneys that municipalities, or whoever is eligible for the federal-provincial program or the provincial program, put to it.

Mr. Peterson: Given the fact that the provincial government in roughly the same time frame, perhaps a little longer, has saved some \$840 million through the restraint program, and given the fact that it now appears the government's total expenditure on job creation is \$150 million, there is missing in that whole equation some \$690 million that could have gone towards job creation had the Treasurer's budget projections been somewhat correct.

Does the Treasurer not agree with me, given the alarming figure of unemployment in this province today, that what he has offered us here is a mere token response?

Hon. F. S. Miller: I started my statement by saying that governments obviously were not going to solve the whole problem. The fact is that the Leader of the Opposition likes to choose a figure in isolation.

I documented in my statement that there was a direct \$170 million in the May budget. There is another \$280 million here. There was a \$250-million exemption from the small business income tax. This undoubtedly is being used to create jobs. There is the housing program this year. So far, there have been more than 6,000 approved applications, each of which we estimate as causing about three man-years of work.

Those are the efforts to date. This illusory estimated saving we talk about is certainly a reduced load on the taxpayers.

The Leader of the Opposition heard my

Premier (Mr. Davis) talking to the leader of the New Democratic Party the other day, quite properly pointing out that money not taken out of the pockets of people in Ontario for municipal taxes gets spent in the municipality and creates jobs. So the honourable member should not assume that the moneys not spent by government were not used out there by the taxpayers of this province as they wished to use them, to create jobs.

Mr. Rae: Mr. Speaker, almost as soon as the ink was dry on the minister's budget last May it became clear that his projections were way off. Why has it taken him this long to produce the \$50 million for 7,500 jobs when, since the Treasurer's budget in May, this province has lost 138,000 jobs?

2:30 p.m.

Hon. F. S. Miller: First, Mr. Speaker, the member is talking of \$50 million in isolation. He would like to forget about all the other dollars I just recited. They will be on the record and I would like the member to read them over.

Second, of course we have had a losing battle in the employment picture. I have not tried to varnish or hide that. I have simply said we have done something in the previous programs that created some 33,000 jobs, as we said we would. That is a couple of thousand more than we predicted. Those jobs are in addition to those the private sector currently would have provided. Our purpose is to add to those provided by the private sector.

I have some statistics here and I would like to look at them rather than try to do them mentally. Ontario's unemployment or job loss level has been down 4.7 per cent from the 1981 peak. Canada is down five per cent on average, Quebec and British Columbia are over seven per cent, Michigan is over seven, Ohio is about seven and Illinois is about seven. I would argue we have done a better job to maintain our employment than others in the last few months, relative to the jurisdictions around us. We have seen increases in employment in trade areas and in financial institutions.

Mr. T. P. Reid: Mr. Speaker, the figures work out to somewhere between \$4,000 and \$7,000 per job over an 18-month period. Can the Treasurer tell us why he is using such a low figure, one that is going to have to do people for that amount of time? On what basis was a program arrived at between the Treasurer and the federal government to suggest an 18-month period rather than a 12-month period, when

many of the more optimistic economists are forecasting that by next June we might be coming out of this recession? Eighteen months seems to be a long way down the road for a program like this. When \$6,000 is spread over 18 months, it comes to very few dollars in anybody's pocket.

Hon. F. S. Miller: Mr. Speaker, I would not disagree with the honourable member. I would have preferred a shorter time frame for the federal program. It has made an assessment of the unemployment problems of Canada, not just of Ontario, and it has deployed what it considers to be its assets in the overall program. They have asked us to come along with part of their dollars matching their terms and conditions. That is exactly why we said we had an opportunity and responsibility to look at a shorter time frame and a less constricted eligibility pattern or set of conditions.

For example, the federal program will quite understandably be targeted at those who have exhausted their unemployment benefits and those who are on social assistance. That is the group we want to help most. But there will be areas where people who are simply out of work have the skills available while exhaustees may not. We wanted a program that would allow those out of work and still receiving some kind of benefit to have the opportunity to go back.

The federal government will require minimum numbers of weeks for a job to qualify. It has a maximum, too, but I believe it is interested in getting people enrolled back in the unemployment insurance program. That is not my major objective. My major objective is not to find some way to do left hand-right hand bookkeeping. It is really to help people across a tough period.

We have not taken quite as restrictive an approach and my options are open about budget time. That should be kept in mind. Nothing we have done today in declaring our \$50 million be spent in the next three to four months will preclude us from taking actions as we see them in the spring once that change in the economy, if it occurs, is more imminent or visible.

Mr. Peterson: We asked you for a mini-budget and you gave us a mini-program, that is what happened.

ONTARIO ENERGY INVESTMENT

Mr. Peterson: Mr. Speaker, I would like to ask the Treasurer a question with respect to Ontario's rate of return on investment for the Suncor purchase. On October 13, 1981, the

Premier (Mr. Davis) said, "We expect a rate of return of 15 per cent." On November 3, 1981, the Minister of Energy (Mr. Welch) stated, "We have said that we do not expect a minimum rate of return of about 15 per cent, but we do of course anticipate that the return will be higher." The government has now owned Suncor for over nine months. What has been the rate of return on that expenditure?

Hon. F. S. Miller: Mr. Speaker, I cannot respond to that because I do not have the numbers of dollars for the dividends in my mind at this moment. I am sure they are easily available and I suspect the Minister of Energy would have been able to give them to the member since they flow to the Ontario Energy Corp.

Mr. Peterson: Does the Treasurer not agree with me that the nine months' interest on the 10-year note has cost the taxpayers of this province \$33,616,952, and the nine months' interest on the cash down payment to Sun Oil has cost the taxpayers of this province \$36,057,938?

To be charitable, which we are, we could deduct dividends for the first, second and third quarter of 1982, which has netted a return back to the province of \$7,836,763.20. Of course, to be fair, one would add in the quarter equity interest on the nine months of earnings, which would be \$8,875,000. When the amount received is subtracted from what has been spent in interest, it has cost the taxpayers \$52,963,127 in nine months to own 25 per cent of Suncor.

On the figures given to us today, he could have created 7,500 jobs in this province for the interest alone on that Suncor purchase. Would that not have been more worth while?

Hon. F. S. Miller: Mr. Speaker, I did not hear the question.

Mr. Speaker: "Would that not have been more worth while?"

Hon. F. S. Miller: My honourable friend is forever trying to make choices that are either/or in this world. There are 25 ministries in this government, all of which are going ahead. He could rule out all but one budget if he wanted to concentrate the entire efforts and resources of government on one issue. That is not the way government works. It is not the way it would work no matter who ran it, even if he, perish the thought, were in this position.

We have a wide range of responsibilities and we allocate the resources according to the priorities as government sees them.

Mr. Rae: Mr. Speaker, I would like to ask the Treasurer to cast his mind back to May and have a look at the statement that he made on page 4 of his budget. He said at that time: "Because of these factors and actions"—and he listed a number of them—"the Ontario economy should strengthen during the balance of the year. Employment by year end should reach 125,000 over current levels."

I ask the Treasurer why we should take today's statements as being true and correct when the statements contained in his budget were so far off.

Hon. F. S. Miller: Mr. Speaker, I guess the big difference between the member and myself is that I am sometimes wrong. If the members of his party understood that human beings can be wrong, they would not be socialists.

We get the sum total of the best economic advice we can get. It is given to me and my advisers and I can say, whether I like it or not, that that was the consensus opinion which I accepted. I do not pretend to be an economist; I will never be one. I have learned in the main to trust the men and women who advise my ministry and our government. I would suggest that if one looks at their track record, one would find they have been exceptionally good compared to other people in that field.

It is by no means a science. The member knows that. However, I would like to compare the track record of this province to any other in Canada. In terms of its overall wellbeing and its overall good management, we come out on top.

Mr. Peterson: I would remind the Treasurer that the original question dealt with Suncor, not calendars. I would like to get back to the original question if I possibly can.

Given the fact that this Suncor purchase has been a colossal embarrassment to him and the members of his government, given the fact that we have established it has now cost us over \$50 million in the first nine months with no known return for that expenditure, is he going to take the lead of his Progressive Conservative brethren in Alberta who, faced with a similar embarrassment over Pacific Western Airlines, announced prior to the election a committee to investigate selling that airline to take the political pressure off them?

Is it the Treasurer's intention to announce the formation of a committee some time before the next provincial election with a suggestion that he is going to divest himself of that interest, that

he is going to sell off Suncor and return it to the private sector where it belongs?

2:40 p.m.

Hon. F. S. Miller: I am quite sure the Leader of the Opposition realizes it was the Premier of Alberta who made the suggestion in Alberta. If any such suggestion ever came, it would be from the Premier of Ontario, not from the Treasurer.

Hon. Mr. Davis: I wouldn't do it today, because you would have nothing to say to the Young Presidents Organization tonight.

Hon. F. S. Miller: I know what the answer would be if I were addressing this response to the leader of the New Democratic Party. I do not know if the Leader of the Opposition has ever invested in high-risk equity investments in this country. I would suggest that from time to time he or perhaps his parents have put some money into companies that did not pay a dividend for a long time and were still seen by them to have been a good investment. That is certainly true in my life.

If people in this country were not willing to put their money in equity, knowing there was no guaranteed rate of return but knowing in the long run that with a healthy economy there would be a far greater rate of return, then we would not have a capitalistic system. The member knows that.

The Leader of the Opposition likes to point out that there have been no benefits to Ontario from Suncor, but there have been. There has been upgrading of the refineries, \$40 million worth of contracts in Ontario creating jobs in this province. That is beside the point to the member, I am sure.

JOB CREATION

Mr. Rae: Mr. Speaker, I have a question for the Treasurer. At the time the federal program was announced, there were widespread reports from the Treasurer that he was pressing for a federal expenditure of \$200 million based on a 40 per cent population figure for Ontario. That was subsequently revised to a request from the Treasurer for somewhere between \$160 million and \$185 million.

If the Treasurer was prepared to match \$200 million and between \$160 and \$185 million, how can he justify the \$100 million plus \$50 million figure today? Why is he always waiting for leadership from Ottawa? Why is he not prepared to show some independence and leadership on behalf of the government of Ontario? If

\$200 million was needed two months ago, surely it is needed even more today.

Hon. F. S. Miller: Mr. Speaker, to show how well my staff do their homework, they said the leader of the third party would ask that question today. Usually his researchers call over and say, "Are there any suitable questions for our leader today?" Therefore, I am able to respond because, since my staff predicted that question, they gave me a suitable response.

Mr. Swart: You still can't answer.

Hon. F. S. Miller: If I can just remember it, we are okay. There is no limit—

Interjections.

Mr. Speaker: Order.

Hon. F. S. Miller: Bear in mind that by the time Mr. Axworthy came back to my office last week, he had made an allocation in public of almost all the \$500 million. I pointed out with tongue in cheek that unless he wished to take it back from some of the other provinces, which I certainly thought he might do, I assumed that perhaps the \$130 million was fixed. He allowed as to how if I thought he was going to go back and take some from Quebec, I was crazy. So there we are, stuck with \$130 million, even though \$160 million to \$180 million would have been a fair allocation based upon our need.

However, we feel we will get some reasonable co-operation because other programs such as section 38 programs are in addition to these dollars. We feel there is still \$25 million in unallocated federal dollars and there are still some federal projects.

I will give the member an example of one I would dearly love to see them come along with, the convention centre in Toronto, where we feel there is room for them to be effectively spending more dollars in Ontario without them necessarily being in this program. We are going to work to try to get them.

Mr. Rae: I know the Treasurer is eagerly looking for a place to hold a convention but that does not answer the question I was putting to him. The question I was putting to him has nothing to do with the federal money. It has to do with why this province, with the Treasurer as spokesman, stated as shortly as three or four weeks ago that if the feds were going to put up \$200 million, Ontario wanted to participate in matching that program, which means that they recognize the provincial need of \$200 million, and today he is indicating that they are prepared to spend only \$150 million.

I am not speaking about Ottawa; I am talking

about the obligations of the provincial government. Why has the provincial government itself scaled down its own proposals when the situation since September and October has deteriorated?

Hon. F. S. Miller: I do not know what course the leader of the New Democratic Party took at university, but let me take mathematics, which was one I studied.

First, if he had heard one of my earlier answers, I said that the \$50 million from Ontario that I am talking about today is in this fiscal year. The \$100 million that the federal government is talking about is over 18 months. Eighteen into 100 is 5.66 times, roughly 5.7 times, which is \$5.7 million a month that the federal government is putting in. Over the next three months—because it effectively will be January when the money starts to flow—I am putting \$16 million a month into this one program plus \$5.5 million a month into the other program. So our rate of pumping the money in is much higher. That still leaves me totally with the option at the end of March to do things still needed in the economy of this province.

Mr. Sweeney: Mr. Speaker, is any portion of this money going to be directed towards jobs in which there is at least a partial training component so that at the end of the line we are going to have some people in this province with more skills than they have right now?

Hon. F. S. Miller: Yes, Mr. Speaker. I think at the end of my statement there is a comment that we will be working in co-operation under section 37 of the Unemployment Insurance Act—

An hon. member: Section 38.

Hon. F. S. Miller: Section 38 is the other section for the make-work projects. I think there are two sections together. We have \$5 million, I believe, in each of those sections that is matched by the federal government; \$5 million plus \$5 million will be \$10 million for training.

Mr. Rae: When all is said and done, the hard fact remains that in the May budget, when the unemployment rate was 7.6 per cent, the government indicated that quite apart from whatever other federal programs were going on it was prepared to spend \$171 million. Today, with an unemployment rate of 11.6 per cent and with 135,000 jobs lost since May, this government is prepared to spend \$21 million less than it was prepared to spend last May. How can the minister explain the simple fact that the government's response today is less strong than it

was in May, while the situation today is that much worse than in May?

Hon. F. S. Miller: Again the honourable member keeps lumping figures together over different time frames. We are putting money in at a fairly large rate per month, and I still have my options open at the end of that time.

SALE OF RENTAL UNITS

Mr. Rae: Mr. Speaker, in the absence of the Minister of Consumer and Commercial Relations (Mr. Elgie) I would like to address my question to the Premier.

This concerns the Cadillac Fairview transactions. On the weekend the Minister of Consumer and Commercial Relations apparently indicated to the press that he would consider a real public inquiry if there was any sign or evidence of what he described as wrongdoing. In the light of the fact that there is clear evidence that a minister of the crown was given statements by the president of a large corporation whose effect can only be described as misleading, which resulted in a statement to this House whose effect can only be described as misleading at the time it was given, and given that we have a series of transactions where \$230 million in profit appears to have been realized in two weeks, how much more evidence of wrongdoing does the Premier require before launching a full inquiry?

Hon. Mr. Davis: Mr. Speaker, I think the minister dealt with this fairly effectively on Thursday and Friday of last week, and I will not get into a debate with the honourable member as to his definition of wrongdoing. The minister made it abundantly clear that if during the course of the investigations that are under way any information comes to light that indicates something of a fraudulent or criminal nature, quite obviously that will be pursued.

I wish the member would not try to get me into the position of saying whether \$230 million is an inordinate profit. I am not in that particular field of expertise. I am not sure that the member really wants to go on the record as saying it was unlawful either.

2:50 p.m.

Mr. Rae: Not at all. The problem is that the deal was lawful—not that it was unlawful, but that it was legal. That is precisely the problem, and that is what the Premier has described.

Since the decision to order the Touche Ross audit was taken by cabinet, I would like to ask the Premier, under what act or regulations of

this province will any of the inquiries be able to determine the beneficial ownership of all the corporations that are involved in these transactions? Could he point to legislation that will guarantee that we can determine who the beneficial owners are and were, and whether there is any connection between the beneficial owners today and others at any stage along the way?

Hon. Mr. Davis: I cannot guarantee to the member that this information will naturally flow from the investigation by Touche Ross. Under the law, it has access to the material that is relevant for the determination of the value of the assets as it relates to the 75 per cent obligation of value for the trust companies in terms of mortgages. When that information is disclosed, and according to the minister that information has been volunteered, I will be very surprised if a good part of the information the member is referring to will not be there as part of the documentation. Quite obviously, I cannot, at this stage, guarantee that will happen.

I think it is also fair to state that in the practices of the Residential Tenancy Commission it has been quite successful in determining "ownership." I think that is another point of access in establishing in the minds of the member and others who the beneficial owner is. I do not minimize that. I was perhaps misunderstood by the member when he said I did not care who the owners were. I only pointed out to him that, in representations made to me in my constituency over the years, the main interest of the tenants has been the rate of increase. That, I think, is still uppermost in the minds of most tenants. I do not say for a moment they are not perhaps concerned about who owns. Certainly they are concerned about who manages, and who is in control of the building from the standpoint of complaints, improvements or maintenance. No tenant, of course, is oblivious to those facts of life.

I would say to the member that while I cannot guarantee, I would be very surprised if a great deal of this relevant information about the equity in the property, or who owns the property, will not be revealed through the investigations being conducted under the Loan and Trust Corporations Act.

Mr. Peterson: Mr. Speaker, I am sure the Premier has looked very carefully at the legislation operative here. He will know that the inquiry under section 152 of the Loan and Trust Corporations Act is a general inquiry into the internal conduct of the business of the various

companies, to do a day-to-day bookkeeping and accounting of a loan and trust company and its compliance with the Act. I am sure he is aware of that and is using his powers to proceed with that investigation.

I am sure he is also aware that what is not covered in this particular investigation are the sales and takeovers of the companies through share transfers; in other words, the nonloan or trust companies, the relationships between the parties to the share transfers, the collateral commercial documentation, the contract, the agreement, the lease not related to the business of trust or loan companies. I refer to examples. There appears to be some huge leaseback agreement, some assignments of agreements of purchase and sale, a statement of adjustments and a variety of other documentation. We will never know the principals behind the company, the true parties to the share or asset transfers of Seaway, Greymac Mortgage, Cadillac Fairview, Kilderkin Investments and an endless stream of companies.

Would the Premier not agree with me, on careful reading of section 152 in the operation of the Loan and Trust Corporations Act, he has no power to look into so many matters that are germane to this whole discussion, and that the only real solution is to have a thorough public inquiry that will allow the examining commissioner to look at all aspects of the deal?

Hon. Mr. Davis: Mr. Speaker, I think the member should be careful not to assume too much in some of the references he made. For instance, Cadillac Fairview is a public company, so if he wants the names, etc., of its officers they are all there. They are a matter of public record.

As I understand the functioning of the act and in terms of what the investigation really is centring on, and that is the extent of the value of the property, that obviously is germane to the question of whether the 75 per cent requirement has been met. But a lot of the documentation the member referred to in his question—which was prepared by the gentleman he has retained to assist him in this—obviously that documentation will be relevant in terms of the value. It will not be just a question of going out and getting an appraiser and coming in with an independent evaluation.

The people investigating will have to be satisfied, in terms of the trust companies, that they were aware of and knew of the value, had documentation to support that value, and while some of the information the member referred to may or may not emerge, I am relatively satisfied

that no investigation of this nature could come up with anything other than a substantial portion of what he is referring to. I do not know how else they could do it.

Mr. Cassidy: Mr. Speaker, is the Premier aware of the concern of the tenants of 500 apartments in Ottawa in which the circumstances are very similar to the circumstances of the Cadillac Fairview deal and where Kilderkin, in conjunction with Greymac, acquired title to the property earlier this year and has applied to the rent review commission for increases of 30 per cent or more?

Is the Premier also aware of the concern of the people in 772 apartments in City Park, just behind Maple Leaf Gardens, where increases of up to 50 per cent also happen to have been applied for before the end of October? Is the government prepared to ensure that tenants who were involved in similar operations by these companies in Ottawa will also get the protection of the five per cent ceiling, or is this a law which will apply only to people in Toronto? And is the government prepared to apply it to people in Toronto if they happen to have got caught up in Kilderkin's web before the end of October?

Hon. Mr. Davis: Mr. Speaker, I will answer that very simply. The law is not designed to accommodate only people in the Metropolitan Toronto area.

Mr. Cassidy: That's no answer at all.

LIST OF ETHNIC ORGANIZATIONS

Mr. Ruprecht: Mr. Speaker, I have a question for the Minister of Citizenship and Culture on lists, or listings.

Over the weekend I was approached by several leaders of ethnocultural organizations who were trying to determine whether the Minister of Citizenship and Culture is aware of any lists or listings of information available to the government and his ministry giving assessments—and "assessments" is the word to watch—of ethnocultural communities and groups?

Hon. Mr. McCaffrey: Mr. Speaker, there has been a good deal of publicity and concern about this issue coming out of Ottawa. Quite clearly, I have checked with the appropriate people in my ministry and, to make it as clear as I can about the operative word "assessment," there is no such list kept within the ministry.

We do provide a document called an Ethnocultural Directory of Ontario, which is

distributed publicly. Many members of the Legislature have used it. It is clearly designed to facilitate information-gathering by interested people who may wish to join or communicate with a group. As to the type of lists the member is speaking of, and I know what he means, we have no such lists and have never had any such lists. I have been assured of this many times. Quite frankly, if one one ever turned up, I would be delighted to table it and destroy it.

Mr. Ruprecht: Is the minister not aware that the grant administration branch of his ministry has on file grant applications from virtually every ethnocultural group in the province, which include confidential assessments of those groups by the area field workers on the nature and viability of those groups? Furthermore, are those files available to the government for uses beyond the assessment of the grant application?

Hon. Mr. McCaffrey: In virtually every type of application that is made to the ministry there would be information that could be described as confidential, whether it is the Boy Scouts or any other organization. But it is very important to be clear on this: there is no form in our ministry now, nor has there ever been, that requests the type of information the member is properly concerned about; and to be specific, it is information of a political nature. That does not exist and will not exist.

ASSISTANCE TO FARMERS

Mr. Swart: Mr. Speaker, my question is to the Minister of Agriculture and Food. Am I right in assuming that the minister will have received and perused this document by the federal Farm Credit Corp. entitled, Farm Credit in the Canadian Financial System? If he has, has he noted that Ontario is now the only province in Canada that provides no long-term credit to its farmers, while other provinces provide extensive assistance? Quebec, for instance, has about \$1.1 billion out to its farmers, \$33,000 per farm; New Brunswick, \$25,000 per farm; Nova Scotia, \$40,000 per farm; and Alberta, \$14,000 per farm.

In view of what the other provinces are doing now, when the previous report from one year ago shows those four were not providing such assistance and all of them are now involved in the program, will the minister now reconsider his blind refusal to provide such long-term assistance to the farmers of this province?

3 p.m.

Hon. Mr. Timbrell: Mr. Speaker, the member knows that this year we have established a very successful program aimed at assisting farmers over this difficult period with respect to high interest rates: the Ontario farm adjustment assistance program. Under this program over 3,000 cases have to date been approved for assistance.

I think the member would also be interested in seeing some information which was printed recently, I believe in the Windsor Star—and I would be glad to send him a copy of the article—detailing how some of those credit policies in another province, in this case in Quebec, have if anything worked to the detriment of many farmers, encouraging overindebtedness and extremely poor credit positions.

If the member looks at the bankruptcy figures for this year, he will find that where the encouragement to go into debt has been the greatest, so too have the increases in bankruptcy been the greatest.

In this province, the policy of the government for many years has been to abide by the agreement which we made in 1968-69 with the federal government, that they would, through the Farm Credit Corp., be a major participant in the long-term credit field. Our activities have been aimed at other areas, and in particular recently at giving some leadership in this country to the development of a new policy in Canada with respect to the stabilization of agricultural commodity prices for those commodities that are not under supply management.

In those ways we think we can be most helpful. That policy will involve the additional expenditure of tens of millions of dollars when it comes into effect and I have to be optimistic and hopeful that we will be able to get the willing participation of the federal government in the development of that.

The short answer is we do not plan to get back into the long-term credit field. The Farm Credit Corp. mandate is in that area, as well as the private lenders.

Mr. Swart: I certainly do not know that the minister has a successful program in place, nor do the farmers of this province. Does he not really think there is something wrong with the overall financing program when 42 per cent of all the farm bankruptcies in Canada between January and October of this year took place in Ontario, although we only have 25 per cent of the census farms? Of all the bank loans taken out in Canada, 31 per cent were taken out by

farmers in Ontario and we still only have 25 per cent of the census farms.

Does the minister not realize that the cost of borrowing has been and is the main factor in farm failures?

What does it take to get through to the minister and his government that many farmers are in a desperate plight and that Ontario farmers deserve the same financing opportunities as farmers in the rest of this nation?

Hon. Mr. Timbrell: With respect, the member is making my point with respect to the role of the Farm Credit Corp. As he knows we have been calling on the federal government to do everything possible to use the new legislation which was passed in the House of Commons and Senate in the spring, to inject into the Farm Credit Corp. the additional amount of money which the federal minister indicated it was his intention to inject.

Nine months ago, they were talking about an additional \$500 million of credit being available to the Farm Credit Corp. We are very strongly in support of anything they can do to give effect to that promise. To date, we have not yet seen a prospectus produced for that.

With respect, the member says he does not know that we have a successful program. I submit that if it was the most successful program in the world, which even I am not about to stand here and claim it is, he would never acknowledge it.

As I have gone around the province in recent months, having travelled extensively visiting farmers, county federation meetings and a number of other meetings, it has been widely acknowledged to me by individual farmers and representatives of farm organizations that it is a very successful program and that it has made the difference to a great many farmers between being able to bridge the gap to get through these difficult times or go under.

I am not sure if the member's question was, am I pleased with the 42 per cent. I take no great comfort from this, but at this point last year, almost 60 per cent of the bankruptcies were in Ontario. The fact that this year it is at 40 per cent is perhaps—

Interjections.

Hon. Mr. Timbrell: As I said, I do not think any of us should take any great comfort from that, but the members try to do any number of things with figures. Let me point out something else. The most important initiative we can take at this time, in addition to the farm adjustment

assistance program, which has helped a great many farmers, is to develop this improved national income stabilization program. I do not know who the member is listening to but I listen to farmers all over the province and they have—

Mr. Swart: They are all Tories though.

Hon. Mr. Timbrell: Most of them are. That is right. Most of them are and I hope they are going to stay that way because of the initiatives of this government.

More times than enough I have been told by farmers across the province that no matter what the rate of interest on their borrowings, ultimately the principal concern they have is about the price they will get for their agricultural products. It is in that area that, having put in place the farm adjustment assistance program, we have concentrated our efforts in recent months because for the longer term that will be more important to the farmers of the province.

Mr. Riddell: Mr. Speaker, knowing that this government has had an agreement with the federal government since the Farm Credit Corp. came into being that it would be within the federal government's jurisdiction to lend long-term money to farmers, and knowing that the farm adjustment assistance program is a short-term one which was not designed to get young farmers started in the business, why is it that a young farmers' credit program was announced not only in the throne speech but in the budget speech? Is this what we are to believe: "Come on, Ontario. Help keep the promise"?

Hon. Mr. Timbrell: I do not know, Mr. Speaker. The member has not asked me a question in over a month and then asks that disjointed discourse. Whether we are talking about young farmers, old farmers, farmers who are middle-aged—as the member knows, we are looking at the possibility of extending the farm assistance program into 1983—the most important thing we can do right now to bring much-needed stability to agriculture in the country is in the area of the stabilization of agricultural commodity prices.

I do not think even that member or the member for Welland-Thorold would take away from us the fact that it is Ontario which has been the leader in this country in 1982 in bringing the provinces and the producers to the table to arrive at an historic consensus that we would work together to develop such a program. I am very hopeful that within days we will be able to get the agreement of their friends in Ottawa—

and I think our friends, ultimately—to sit down and work with us on such a policy.

LEONARD FOUNDATION SCHOLARSHIP

Mr. Kolyn: Mr. Speaker, I have a question for the Minister of Labour. The Ontario Human Rights Commission is currently considering action against the Leonard Foundation for maintaining a private scholarship fund restricted to Canadian university students who are of the white race, of British nationality and of the Christian religion in its Protestant form.

3:10 p.m.

The Leonard Foundation is in good company when it comes to racial, religious and nationality requirements for its awards. The Simon and Rosalie Halpern Memorial Scholarship specifies that recipients must be of the Catholic or Jewish religion. The Murray Brooks Memorial bursaries are designated for students from India, Pakistan and Ceylon. The McGill-Hellenic Club bursaries go to students of Greek descent.

Surely it is a basic right of a citizen, living or dead, to dispose of his property in any way he sees fit. Would the minister agree, given the examples I have cited above, that if the Leonard Foundation scholarship is to be the subject of an inquiry, then so should all other privately administered scholarship funds that have as part of their qualifications and competition requirements specific guidelines with respect to the race, national origin and religion of the applicant?

Hon. Mr. Ramsay: Mr. Speaker, with the greatest of respect, I do not think it is correct to say that the Ontario Human Rights Commission is currently considering action against the Leonard Foundation. I believe all they have done is to ask for a legal opinion as to whether or not such scholarships come under the new code. Apparently they had asked for an opinion in 1969 under the old code. At that time the opinion given was that it would not qualify; so they are just trying to bring their records up to date.

Ms. Copps: Mr. Speaker, does the minister agree with the incredible statement just made by the member for Lakeshore that an individual should have the right to dispose of private property in any way he sees fit, presumably including any discrimination on the basis of race, creed, religion, colour, etc.? Does the minister support the position articulated by his colleague on the Conservative side of the House?

Hon. Mr. Ramsay: Mr. Speaker, I just do not want to make any comment on that at all until—
Interjections.

Hon. Mr. Ramsay: I think it should be borne in mind that I believe this particular foundation was set up back in 1909 or something like that. The person involved did not die until something like 1933. At that time, according to my information, they had checked to see if they conformed or did not conform with any legislation of the various provinces of Canada.

I also think there is another way of looking at this, and that is that the money is given to an individual; it is not given to a university. The individual is free to use it for tuition, books or whatever he wants. But again, as I understand it, it is not flowed through any university in our country; it is flowed to the individual.

ABORTION CLINICS

Mr. Sweeney: I have a question of the Premier, Mr. Speaker. Given the fact that Henry Morgentaler has publicly stated, most recently last Thursday, that he plans to open a free-standing abortion clinic in the Metro Toronto area—and as a matter of fact about two weeks ago he tried to open one at the corner of Bay and Gerrard streets—and given the fact that the Attorney General (Mr. McMurtry) has clearly said that if he does so he will be subject to prosecution, does the Premier or the Attorney General have any intention of dealing with this matter in any other way?

For example, will the Premier or the Attorney General request an injunction so that if such a clinic did open, it would be closed while the case was going through the courts?

Hon. Mr. Davis: Mr. Speaker, that is the position, I am sure, of the member for Hamilton whatever, but I will not introduce any measure of controversy in that caucus.

I would say to the honourable member that the Attorney General has already said what the government would propose to do.

Mr. Sweeney: I am quite at a loss to know what the Premier's reference is; but anyway, that is his business. Given the fact that in the Metro Toronto area 16,000 abortions are being performed each year, which makes Metro Toronto, according to an article in the Toronto Star of last July, the abortion capital of Canada, would he not agree that Henry Morgentaler's proposal to base his court case on the defence of necessity is patently ridiculous?

Hon. Mr. Davis: Mr. Speaker, I am not going to get involved in giving legal opinions. I think the honourable member quoted the Attorney General accurately, and knowing the member's philosophical point of view on this issue, I would think he would be supportive of the Attorney General's approach.

KIM ANNE POPEN

Mr. R. F. Johnston: Mr. Speaker, I have a question of the Minister of Community and Social Services. Given the recent report on the Kim Anne Popen death and the request and the recommendation for more guidelines and standards on child abuse, which have subsequently been put in place, I would like to hear the minister's comments on the decision by Judge C. J. Newton given in the Jeffery Disotell case in Brockville. I believe on pages 14 and 15 of that decision he said:

"The social worker, Mary Jane Leslie, was on the firing line, to put it bluntly. She had to make her own decisions with whatever assistance she could get and hope that her decisions were correct and, to my mind, she did the best she could under the circumstances, and I so find. I also find that she followed the guidelines laid down by the ministry to the best of her ability."

Given the fact that the child in that case was very badly beaten and almost died, would the minister tell us whether he thinks it is an appropriate time to review the guidelines and standards we now have in place for child abuse for the various children's aid societies around the province?

Hon. Mr. Drea: Mr. Speaker, both the guidelines and the manner in which they are applied have been under review for some time.

Mr. R. F. Johnston: Would the minister please confirm to me that he cancelled a province-wide study some time late this year that was budgeted at around \$140,000, and that would have reviewed the workability and practicability of the present guidelines and of the staff training of the CAS? Would he confirm or deny that he withdrew that study, which had been approved through his ministry, from the Management Board table? Does he not think it is time to have that study, which I gather he had prepared in terms of the methodology, put into place? Would he table it with the House and would he start it at the earliest opportunity?

Hon. Mr. Drea: First, I do not think that particular study would have produced the desired results. Second, as I said, we are reviewing the

matter and looking at things. Third, it was not withdrawn at all, so I do not understand what the member is interested in. It was a province-wide study based on—

Mr. R. F. Johnston: Are you going to spend the \$140,000 and do it?

Mr. Speaker: Never mind the interjection, please.

Hon. Mr. Drea: The matter is under review, the standards will be analysed, the guidelines are being looked at. We have some rather innovative things coming up that will make that study obsolete before it begins. It was a total waste of money.

Mr. R. F. Johnston: Why did your deputy minister approve it if it was not going to be done? He signed the damned thing.

Mr. Speaker: Order.

Mr. Boudria: Mr. Speaker, the minister will recall that this summer the standing committee on social development sat to look into the issue of family violence and, more specifically, during the summer hearings we dealt principally with the subject of wife abuse. Could the minister tell us the position of his government regarding having a similar study done next winter on the issue of child abuse, as was proposed by the committee?

Hon. Mr. Drea: Mr. Speaker, I am not aware of any such proposal. If I see one, I will tell the member what I think of it.

REMEMBRANCE DAY

Mr. Piché: Mr. Speaker, my question is to the Minister of Education. As the minister is aware, many schools in Ontario this year were—

Hon. Mr. Davis: The minister is always aware.

Mr. Piché: I am glad to hear that; I am also aware of that.

As the minister is aware, many schools in Ontario this year were closed on Friday, November 12 for the Remembrance Day holiday rather than on the traditional November 11 date. Although this may give those involved another long weekend, this is not the intent of the Remembrance Day holiday. Will the minister provide assurance that her ministry will regulate this day so that, in the future, schools will mark Remembrance Day on November 11, the only date on which the ceremonies are significant?

3:20 p.m.

Hon. Miss Stephenson: Mr. Speaker, I can give you one very concise and positive answer. Yes, indeed. I hope the regulations regarding

the school year, which encompass the matters related to the November 11 holiday, will be made public this week.

Mr. Nixon: Mr. Speaker, does the minister mean, in response to the question, that she is going to announce that November 11 will not be a holiday for the schoolchildren, that they will be in school that day and will be taken to the cenotaphs for an appropriate marking of that ceremony?

Hon. Miss Stephenson: Mr. Speaker, in examining all matters related to school days, school years and holidays, we looked very carefully at the recommendation that had been made by the central command of the Royal Canadian Legion in 1972. At that time, the Legion suggested very strongly that there should not be a public holiday for schoolchildren on that day, but that every schoolchild should be required to attend a service of remembrance, either organized by the school itself or at a cenotaph.

We have discussed this again with the central command and with some of the local legions, as well as with school boards, and it is felt that there must be some arrangement whereby, on November 11, the children in the school system have an opportunity to understand what Remembrance Day is about. The greatest possibility of doing that is if Remembrance Day services are organized within the schools on that date. If the date happens to fall on a weekend, then we certainly hope that the schools will organize such services on the Friday before. They might also encourage members of the Legion or members of other groups, who remember specifically because of their experience the importance of this day, to be involved in those ceremonies within the schools.

We certainly feel very strongly that the concept as fostered by the Royal Canadian Legion is an appropriate concept and it will be encompassed in the regulation that will be publicized.

TOXIC WASTE DISPOSAL

Mr. Haggerty: Mr. Speaker, I would like to direct a question to the Minister of Environment. Is he aware of a plan by Envirotek Ltd., Buffalo, New York, to expand an abandoned plant immediately adjacent to the Niagara River into a toxic waste facility? The bid to establish this new toxic waste plant is based upon expanding an old permit issued to a now defunct company, rather than obtaining a new permit, which would require an environmental impact study. Given that spills from this plant could cause serious water contamination, what steps

will the minister be taking to protect the already degraded water quality in the Niagara River?

Hon. Mr. Norton: Mr. Speaker, I did not catch the name of the company, but I do not believe I am aware of this specific company. However, I am sure the Niagara River team that exists within my ministry will be aware of it, especially if there has been any application for an expansion of a permit that might have an impact on the river. They have not, at this point, brought that specific plan to my attention.

The procedure that would normally be followed, if there is an application for an expansion or extension of the state pollution discharge elimination system permit, is the procedure I outlined to the House approximately a year ago. We would review the specifics of the existing permit, the content of any proposed permit or changes in the existing permit. We would do an evaluation of that with our scientific staff and, if necessary, commission other work to be done, so that we can be well informed of any potential impact upon the river.

At that point, we would make a determination as to whether it was a case that required intervention on our part. That intervention could, for example, take the form of requesting and participating in public hearings on the review of the SPDES permit, or it may be a situation in which other types of action would be appropriate. As I say, I am not specifically aware of that, but as soon as this plan is brought to my attention, we will deal with it.

MOTION

COMMITTEE SITTINGS

Hon. Mr. Wells moved, pursuant to standing order 47(a), that the sequence of estimates in the standing committee on general government be changed as follows:

On Wednesday, December 1, the estimates of the Office of the Ombudsman to be considered in the morning and the estimates of the Ministry of Consumer and Commercial Relations to be considered in the afternoon;

On Wednesday, December 8, the estimates of the Office of the Provincial Auditor to be considered in the morning and the estimates of the Ministry of Consumer and Commercial Relations to be considered in the afternoon;

On Wednesday, December 15, the estimates of the Office of the Legislative Assembly to be considered in the morning.

Motion agreed to.

ORDERS OF THE DAY

House in committee of supply.

ESTIMATES, MINISTRY OF REVENUE (continued)

On vote 801, ministry administration program:

Ms. Bryden: Mr. Chairman, under item 3, we have audit services and investigation services and that is what I wish to speak about.

I would certainly encourage the ministry to have adequate audit and investigation services so tax evasion is not going on and the province is getting all the money to which it is entitled under the law.

However, I question the direction the audit and investigation services appear to have been taking if the experience of one of my constituents is any example. It would appear the audit services are directed at harassing small businessmen. We do not hear much about how much it is getting back through auditing large corporations which may be engaging in activities that may be losing us a great deal of money.

I would like to draw to the minister's attention the case of Mr. Thomas Minakis, who runs a jewellery store in my constituency called House of Thomas Jewellers. Mr. Minakis received a penalty assessment of \$6,565 in the last—

Hon. Mr. Ashe: On a point of order, Mr. Chairman: I would be pleased to carry on with the present questions by the member for Beaches-Woodbine, but I am afraid she is on the wrong vote. When we are talking about the audit services and so on in vote 801, this is strictly the internal operation within the government and, in our case, within the ministry.

The particular area she is talking about, I think, is something further on in vote 802, the various branches within the tax revenue system. The item referred to in vote 801 is strictly our internal operation. This is the administration portion of the ministry's budget.

If you would like to deal with that issue now, that would be fine, Mr. Chairman; but, if not, we should leave it to the appropriate time.

Mr. T. P. Reid: No. We will be all over the place if we deal with it now.

Interjections.

3:30 p.m.

The Deputy Chairman: Other honourable members are suggesting that the member for Beaches-Woodbine should stick to vote 801, if she can, and we will certainly give her a chance to speak later.

Ms. Bryden: Mr. Chairman, it does not matter whether I deal with it under vote 801 or vote 802. I will be glad to deal with it under vote 802 if that is essential.

The Deputy Chairman: No, it is not essential. It is just that I hear other members saying they want you to wait until vote 802. I would be willing to—

Ms. Bryden: I was thinking the special investigation was under vote 801 too. I guess it is under vote 802 as well; so I will wait until then.

The Deputy Chairman: I thank the honourable member. I recognize the member for Erie, who was standing sooner and longer than the member for Rainy River (Mr. T. P. Reid).

Mr. Haggerty: Mr. Chairman, I want to direct my question to vote 801 and particularly to the policy direction of the operational programs.

The concern I have is about the recent revaluation of assessment that has taken place in the province, particularly in Toronto with regard to the latest development in the sale of the Cadillac Fairview apartment units and the question as it relates to property assessment. They had a valuation, I believe, of about \$11,000 or \$12,000 per unit at a market value of \$130 million, and—

Mr. Breagh: On a point of order, Mr. Chairman: I am somewhat reluctant to do this but, since you have just sought some advice from the House on matters directly related to adhering to particular items under particular votes, I am somewhat surprised that you let the honourable member continue. You just tested the feelings of the House that the members ought to restrict themselves to the correct vote.

The Deputy Chairman: Very much so.

Mr. Breagh: You asked my colleague to sit down, and I expected that at least you would be consistent for five or 10 minutes.

The Deputy Chairman: The honourable member stands chastised.

Mr. Haggerty: Mr. Chairman, I just want to speak to that point of order. I was in the House last Friday, and the honourable member went on for nearly an hour and dealt very much with market value assessment.

Mr. Stokes: That was in the leadoff.

Mr. Haggerty: Oh, the leadoff. Regardless, now he wants a second shot. But I am dealing with new policy; that is, policy under vote 801. It says, "policy direction of operating programs," and assessment comes under operating programs.

The Deputy Chairman: As long as the minister sees this as falling under vote 801.

Mr. Haggerty: I am concerned about the recent sales of property—

Mr. Breagh: On a couple of points of order, Mr. Chairman: First of all, I think the members ought to read the standing orders once in a while, which do rather delineate that the critics in their leadoff remarks are allowed some latitude, and subsequently there is some encouragement as—

The Deputy Chairman: There is no question on that.

Mr. Breagh: The second small point of order is that I do not really believe it is the chair's prerogative to look to the minister for direction on these matters. You might seek some comment for him, but you are still chairing this thing.

The Deputy Chairman: I will be candid with you. When you look at the overlap in some of these sections, it is difficult for the chair really to know which section it falls under. I gave a great deal of credibility to the member for Beaches-Woodbine (Ms. Bryden) in trying to go off in the direction she did, because who was to be sure? Sometimes the minister has to make it very clear to us.

I am most anxious to do what you want to do, and we will go through each in the order in which they are printed. So I have to look to you as well as to others to assist me in this difficult job of chairing the committee.

Mr. Breagh: We are here to help.

The Deputy Chairman: Thank you.

Mr. Haggerty: Mr. Chairman, I was trying to elicit some new information about new guidelines or new policy from the ministry in regard to the recent sale of apartment units here in Toronto. When the price can jump from \$130 million to \$270 million or perhaps to \$500 million, my concern is the serious effect this will have on the market value assessment or the revaluation of assessment. The city of Toronto has just gone through some form of revaluation of assessment practices, and I am a little bit concerned.

I thought the minister might mention something about that in his leadoff speech; I thought there would be some personal involvement of the minister himself or his staff in this particular area.

I can see the impact this will have on all property assessment in Toronto—residential,

apartment dwellings and so forth. The assessors now will be going out and revaluing all the property again in the city of Toronto based upon these recent sales of property and the pyramiding of property sales as it relates to the Cadillac Fairview properties and other high-rise apartment dwellings in Toronto.

I can see the impact this will have. In the city of Ottawa and in other communities in the province—Kitchener has been mentioned here—I can see that quite a work load is going to be imposed on the assessors by having to go out and make new assessments on property as a result of the exorbitant increase in the selling price of these apartment buildings.

It could have a serious impact on municipal assessments in terms of the cost to innocent property owners who will be caught in the squeeze caused by the selling of these apartments at a huge price. The spinoff perhaps will be most damaging to those persons who live in single-family dwellings or other residential properties and who, through no fault of their own, will be caught by this huge increase in the selling price of these units.

I listened to the comments of the Minister of Industry and Trade (Mr. Walker) the other day when he suggested we were opposed to having foreign investment come into Canada or even into the province. I do not think we stand opposed to it, particularly in this party, but it is not solving the problem of the housing crisis that now exists in Ontario.

If this capital were coming in to build new units, then I am sure we would find there would be a free market; perhaps we would not even need to apply rent controls. However, as long as there is a shortage of units in Ontario, then the rents will remain as high they are and we will not find the levelling-off period the government is applying to the working-class people in the restraint program, the six and five or the nine and five.

I bring this matter to the minister's attention because I think it will have a serious impact on the reassessment that is going to be required in the city of Toronto and other municipalities where these apartments are being sold to persons or investors from offshore at a huge price.

The price is inflated, and I do not think it should be permitted. I think everybody in Ontario could come to terms with a fair price for the property but not with the extremely high prices that have resulted just from the manipulations of a certain brokerage firm, which has generated profits from the market value, \$130

million by Cadillac Fairview, as was mentioned in the *Financial Post*. I suggest an injustice is going to be done to the rest of the residential property owners here in Toronto.

Does the minister have any new policy or programs in this area whereby he is not going to go out and start revaluation of assessment here in Toronto based upon those sales? Otherwise, if he does that, it will create havoc.

Hon. Mr. Ashe: Frankly, Mr. Chairman, I am not sure how relevant that question is to my ministry's estimates, but I will still try to answer it.

First of all, as regards the 11,000 Cadillac Fairview apartments that have changed hands on one or more occasions in the past few weeks, my colleague the Minister of Consumer and Commercial Relations (Mr. Elgie) has already announced some policies and investigatory bodies to look into that whole issue. What these will end up showing, I guess only time will tell, but I can assure the honourable member of two things.

First, I do not know where he gets his figures that indicate you can build any kind of apartment unit in Toronto today for about \$11,000 per unit. I think anybody with any expertise in the building community will tell him that is impossible. So I do not think that figure of \$130 million has any meaning whatsoever, regardless of whether he picked it out of the *Financial Post* or some other reported-to-be-reputable piece of journalism.

3:40 p.m.

The other aspect is that of the reassessment program in Metropolitan Toronto or any place else. I can assure the honourable member that we are not going to run out and reassess Toronto again next week because of transactions such as the Cadillac Fairview deal.

I might also suggest that even when a reassessment is taking place and when they are looking at all the issues in trying to arrive at the fair market value of any property, it is normal and customary where there are any reasonable number of sales to exclude the extremities in terms of abnormally low price sales and abnormally high price sales on the assumption that there probably is something out of the ordinary that affected the price of that property. There is nothing new about that. That does not need any other policy direction. It is already there.

The Cadillac Fairview sale will have no impact on our operations at this point. I cannot see it happening. It is highly hypothetical, but if

all the apartments in Metro were suddenly worth a lot more a year or two from now, obviously that would have some effect on the average market value, but on the basis of the circumstances we have been discussing it will not have any relevance to our operations in the ministry.

Mr. T. P. Reid: Mr. Chairman, I always like to ask at least one question about actual expenditures, which I am about to do. The briefing book indicates that the planned employment for 1982-83 is going up by 49 people. Part of that is related to the diesel fuel coloration and the ad valorem system of taxation. In view of what has happened, I presume the minister wants to talk about the actual outcome of the fuel tax under vote 802, item 8, the coloration program. I want to relate my comments to the number of additional employees.

In my opening remarks, I referred to the fact that we seem to be spending a lot of money and hiring more people to ensure that people are not misusing the coloured fuel. Can the minister indicate to me how many of these 49 people are going to be involved or are involved in that program? Overall, how much is it going to cost us for these people?

What, if any, studies were done to indicate whether this whole process was cost-effective? How much does the minister consider the province was losing by way of revenue because of the abuse of this particular scheme? How many of the 49 people are going to be directly involved in that, and how many are going to be involved in the ad valorem system of taxation?

I would have thought the ministry actually would have needed fewer people because, having moved to ad valorem, everything goes up automatically. You do not have to readjust the rates; they go up by themselves, presumably the forms go in and presumably the marvellous computer system the minister was telling us about the other day goes into effect.

Why do we need these additional staff in the age of restraint the minister kept mentioning in his opening remarks?

Hon. Mr. Ashe: Mr. Chairman, we are now looking at vote 802, item 8, relating to motor fuels and other taxes within the tax revenue program. As is indicated, the planned human resource increase this year is a total of 43: 41 civil servants and two unclassified. We are just trying to get together here the actual breakdown of how many are involved in the ad valorem system and in the fuel coloration program.

The reason for both is that with the ad valorem rate system there are a lot more calculations. There is the regular monitoring we do in the early part of the month prior to the change, where we physically go out to come up with the median rates for the ad valorem commodities.

We are also involved with rebates, as we were before. There is an increase in the rebate program we are trying to accelerate, particularly for the benefit of the farming community so as to send them back their money faster than they used to get it. I think we can now boast of a turnaround time of a relatively few number of days rather than significantly longer.

As far as the coloured fuel program is concerned, it was much more extensive in the context of the number of people involved in setting up and administering the program on a long-term basis.

It is rather early in the game to be able to prove the investment will pay off to the degree we anticipated it would. Frankly, we do not know the dollars and cents. We did not know before. If the honourable member will recall when I brought through the Fuel Tax Act, we had quite a variation in what was lost revenue. As I remember, I think we talked of lost revenue in the area of \$10 million to \$50 million, with a probable best guess of something in the order of \$25 million, based on what we saw out there and on experience in other jurisdictions.

We will be able to prove some of that only in the fullness of time when we can look back at the records. We must also keep in mind that there is no doubt at all that when we are talking about fuel consumption even in the broadest sense, whether we are talking about gasoline or principally diesel fuel under the Fuel Tax Act, there is a general reduction of overall consumption in the province. That is something each and every one of us, and all governments, have encouraged, particularly in the past couple of years. Undoubtedly that is paying off.

The number of staff involved is 27 inspectors in the coloured fuel program, 10 auditors in the ad valorem system; the balance is six supervisory staff, bringing the total to 43 people. Our best guess as to the estimation on the coloured fuel tax losses from before is something in the order of \$25 million, but we do not know for sure. The range is anywhere from a low of \$10 million to a high of \$50 million.

Mr. T. P. Reid: Are there no other options than this?

Hon. Mr. Ashe: The question quite rightly is, are there any other options? Sure, there are other options, and we examined them in great detail. There were other options that were preferred by the industry because it was not enamoured with moving to coloured fuel.

We are not the leader in going to coloration. Most other jurisdictions in Canada have been using coloured fuel in one form or another for many years. Even Quebec has used the exact same dye we are using. I have brought that up before in answering other questions about the purported problems with the dye; we are using exactly the same dye it has been using for the past three years. In Quebec's experience, it had a considerable, provable increase in its tax revenues when it went to the coloured fuel program.

There is a problem with any other program. We have already had a form of registration that was fairly complete. If we had not gone to the coloured fuel program and, instead, had adopted the option preferred by industry, which literally would have had reporting from the time the fuel came out of the ground to the time it was burned by the end user, the automobile, tractor or whatever, we would have greatly increased the paperwork burden on many other areas of our economy.

It is the policy of this government to try to cut down on paperwork, to try to deregulate, and not to add further regulations. That was one of the other serious considerations. If we had gone the route of the industry, we would literally have had people accounting for every gallon of fuel right down to its final burning, right down to the person who would have used it. We did not think that was very acceptable to the consumer.

After getting rid off the kinks, let us say, while people are working into the system, with the coloured fuel program we are eliminating about 100,000 registrants who no longer will have to file reports and keep track of the fuel they have been using in a nontaxable way. We think this is a big step towards deregulation.

We have tried compulsory legislation. We thought about going further on that, but we felt this was the fairest and safest route. Having to inject the dye and what have you imposed more obligations at the front end, but in the long run there will be a lot less difficulty, confusion and paperwork at the consumer end of the fuel cycle.

3:50 p.m.

Mr. T. P. Reid: Mr. Chairman, I guess we all have a lot of questions. I have two others and then I will yield the floor for a while.

The minister has spoken at great length in his remarks about productivity and improved productivity. It is a subject I am quite interested in. I wonder whether he can explain to us how his ministry is measuring productivity and whether there are any reports he might be able to table with the House in that regard.

The other matter that always concerns me is item 8, communications services. Given the extent of the program of the ministry, I am concerned about what for this government seems to be a very small amount to spend on communications services, \$273,400.

It is interesting that in the activity description and objectives, the following is stated: "This activity is responsible for the co-ordination of professional services relating to public relations, the media and all other information matters for the benefit of ministry senior management, for the enhancement of the ministry's public image and for increasing the public's understanding of ministry programs."

At the end of all of that is: "... and for increasing the public's understanding of ministry programs." That is low on the list of priorities of what the taxpayers are getting under item 8 of vote 801. I wonder whether the minister can tell us exactly how many people are involved in the salaries and wages of \$178,600 and where the advertising budget of the ministry comes in when they are advertising assistance or the taxes for senior grants, for instance.

Hon. Mr. Ashe: About the number of people within our communications services branch, I would suggest that, especially when one considers the size of the Ministry of Revenue, we probably have one of the smallest communication branches in the whole government. It totals eight people. I think the salaries are summarized and there are eight people.

The actual expenditures relating to advertising costs are within the relevant program. For example, the advertising for the property tax grant program is within that section of the vote and so on. That has been our principal area of advertising, particularly in the past couple of years. We have the normal advertising relating to the return of the assessment rolls, enumerations, etc., which are at a particularly high level during election year. These are in the votes of those respective sections of the ministry.

I want to spend a little time to put on the record more detailed answers to questions, concerns and queries put by both my critics in their opening remarks the other day as well as the query brought up on productivity improvements. I think there is probably no better way than to put on the record a few specifics of that productivity improvement. In fact, by putting it on the record it is tabled, if you will; it is exactly the same thing. It is not lengthy; it will take me maybe six or seven minutes.

The other day in my opening remarks I made a number of references to improvements in productivity within the ministry's diverse operations. I am most pleased to respond to this and to address the related issue of the apparent paradox, noted by one speaker, of the constraint program while at the same time the ministry's staff is increasing. I appreciate that this is a bit of a conflict unless you go back into the details of it.

First of all, the productivity increases: The policy decision to invest in new methods was taken in 1977 and was documented in a five-year plan. The objective was to overcome the increased work load and reduced resources by better and more efficient methods and, of course, by utilization of electronic data processing systems operated through the investment fund and monitored through the ministry, the zero-base budgeting and management by results system that the ministry has moved on to in the past couple of years.

The actual systems that have been developed or are still in the course of being developed are the FACTS program, which relates to corporation tax; Basys, which is the retail sales tax on-line for the Province of Ontario Savings Office; the Oasys program in the assessment division; and, of course, the new building in Oshawa.

More specifically, with regard to the corporations tax, in 1980-81 the branch implemented the FACTS program at a total cost of \$804,000 over a two-year period. The resulting productivity improvement from that can speak for itself. The corporations registered in the 1980-81 fiscal year were 241,100, with a staff complement of 316. In 1981-82, the corporations registered rose to 258,100, with a staff reduction to 287, a change of 17,000 more corporations and 29 fewer staff or a seven per cent increase in corporations and a nine per cent reduction in staff.

The net effect over the two-year implementation of FACTS is the protection of \$40 million in

revenue by updating tax rolls, increasing returns processing, increasing the rate of billings and, of course, keeping pace with the obvious growth of the tax roll.

With regard to the Basys program within the retail sales tax, in 1979-80 we introduced this program at a total cost of \$2.4 million spread over a three-year period. The resulting productivity improvement was such that while in 1979-80 registered vendors totalled 172,100, with a staff complement of 538, in fiscal 1981-82 the registered vendors had gone up to 177,800, which is an increase of 5,700, and the staff complement had decreased to 472, or a net decrease of 66. So there was a three per cent increase in vendors and a 12 per cent decrease in staffing.

In the Province of Ontario Savings Office, the on-line system was implemented in 1979 at a cost of \$373,300. In 1977 there were 81,100 accounts, and in 1982 there were 105,200 accounts, an increase of 24,100, or 30 per cent. The savings on deposit in 1977 were \$296 million odd, and in 1982, \$647 million odd. That is an increase of \$350 million, or 118 per cent. At the same time, in 1977 the staff complement of POSO was 184, and in 1982 it was down to 169. So the number of accounts increased by 30 per cent and the amount on deposit more than doubled, with a net decrease of eight per cent in staff: an actual physical decrease of 15 people.

4 p.m.

If I may finish in that category, there are three others. Property assessment: In 1980, the property assessment program commenced work on a feasibility study to update and improve the operating assessment system with a view to increasing productivity effectiveness and customer service in the program. The new Ontario assessment system, Oasys, will be implemented over a three-year period at a total cost of \$4.8 million.

In 1972, there were approximately 3.5 million assessable units with a staff complement of 2,611. That was just after we took over the function from the municipalities. In 1982, there are approximately 4.9 million assessable units, an increase of 1.4 million, which is a 40 per cent increase. The staff complement has decreased to 2,143, a net decrease of 468 or 21.8 per cent. We have gone up 40 per cent in numbers of units and dropped just under 22 per cent in total staff complement.

Man-years for redeployment as a direct result of implementation of Oasys over the five-year period: For the 1982 to 1985 three-year imple-

mentation plan and 1985-86 right through to 1989-90, this totals 232 and, after 1989-90 and the five-year payback period, estimated savings will be in the order of \$6.1 million per year. In other words, within the assessment program we are projecting further savings between now and 1990 over and above the substantial decrease in complement that has been accomplished in the last decade.

It might be interesting to round off with the Oshawa building. It is not in operation yet but the background to the 21st century, if you will, is being incorporated in the new Oshawa facility. It is an advance production facility. The office equipment is an integral part of major investment in new forms of integrated production and information systems.

After we get operating, we will be quite happy to invite all honourable members to come and see this marvellous facility in action. For example, the telephone system the ministry has installed is Northern Telecom's SL-1 phone system, a Canadian operation, providing access to future developments in office automation. Telephone access by the public is improved. Basically, no phone can go unanswered. Productivity is improved by the use of automatic number recall. It is cost effective by the system choosing the least-cost route for out-of-building calls. It automatically accesses the cheapest way to go.

Materials that will be handled: The more efficient use of space, elevators and storage will enable the task of materials handling to be operated in a more cost effective way. The mail will be delivered over a more compact area, therefore making rounds much faster and increasing turnaround time.

Central stores will be located right in the building, therefore facilitating a one-day reduction in response time for supplies. At present we do not have our central stores in our own building at 77 Bloor Street West.

New office furniture: I know there were other questions specifically relating to that. This does not involve just replacing the existing furniture; it is really a whole new concept. It involves re-equipping the ministry with new types of systems furniture designed to increase productivity by exploiting the office of the future, Canadian technology which brings the latest electronic devices and minicomputers in direct and close support of individual staff, and investment in a range of new mainlink computer and communication systems. All of these will be

incorporated into the office of the future in downtown Oshawa.

When you see the whole office structure in place, you will see why it is not just a matter of physically taking what was contained in 77 Bloor Street West and moving it to downtown Oshawa, because it would really not have been compatible with what that building was designed for. We would not be able to utilize and take advantage of the technological investment that is being made in the systems that are being installed with the traditional work station as we now know it, a desk, a phone and a typewriter, etc. The work station principle will be better able to utilize the facilities and the access to additional facilities that are being incorporated into the new building.

Mr. T. P. Reid: I have just two short snappy ones, as I think they say on television. In vote 801, item 8, under supplies and equipment, there is an item of \$40,700. That is about one sixth of the budget and it seems to be a figure that is a little out of whack in terms of percentages. What does supplies and equipment refer to there?

Also, before I forget, you told us that the amount of money spent for hard advertising, radio, television, newspaper, magazine advertising, is found in the other votes under whatever it is. Would you be sure to tell us what those amounts come to as we go through the estimates?

Finally, on 801, item 2, under services, we are looking at \$522,100. Can I presume that is a bookkeeping entry for legal services that you are receiving from the Attorney General's office?

Hon Mr. Ashe: Let me first point out that unless we gave him a year-old book, both the figures that you have been referring to are the actual estimates for 1981-82, and the 1982-83 figures in both instances are somewhat higher. In the case of supplies and equipment, the \$40,700 is \$45,300 and in the case of the other, it is \$549,100 instead of \$493,700.

In answer to the second one, yes, that is really just an offsetting entry with the Ministry of the Attorney General because it supplies our legal department in terms of the full-time staff, which is made up eight lawyers, one law clerk, five secretarial and clerical and at the moment two vacancies. That is just a cross entry where we have salary and wages. We might have occasion to have casual help come in for a particularly busy situation.

I am trying to get the answer on the breakdown of supplies and equipment, \$45,300. I must say nothing particularly comes to mind

that would account for that. Once I have that answer, I will get back to you.

Mr. T. P. Reid: Will you flag us when we come to the advertising?

Hon. Mr. Ashe: Yes.

Mr. Breagh: I have a few questions that I would like to put to the minister under this vote. The first one is that the ministry did do some hiring in Britain and I would like a little more information on why that was necessary in the first instance, how he went about that, and, particularly since there was a good deal of lead time, why one would go overseas to hire even if one was having a little difficulty finding an appropriate person to do that job. There was certainly enough lead time whereby someone could get trained for that job.

Could I have a little of the detail there? Who did the hiring, how much did it cost, what was the rationale to go overseas for the hiring and why was it not possible to hire residents of Ontario or Canadians to fill those positions? Was there any attempt to provide some lead-time training for those positions?

Hon. Mr. Ashe: The type of recruiting that we did overseas was not unique for the government or the Ministry of Revenue in the context of the type of person that we needed. We needed some computer systems people with experience. We have other situations where we can utilize the fairly young person, a new graduate, but there were not enough people available to government in Canada, and we were not the only ones finding this problem.

4:10 p.m.

We had Canada-wide recruiting activity, not just Ontario-wide, to fill our needs in that regard in 1981 and 1982. We had a grand total of 14 competitions in our Canada-wide recruiting activity. We had 256 applicants, of whom 82 were felt suitable to be interviewed. We made 21 offers and were able to hire 18 recruits. The average cost of recruiting these people within Canada came to between \$12,000 and \$14,000 per recruit. That included relocating them in some cases, depending on where they were situated.

That was still not anywhere near the number of people we needed. Canada Manpower and Immigration as well as the Civil Service Commission in the Ontario government were aware and are aware of the shortage of experienced people in this category. That is the key point I have to put forth, that in most cases we have a need for experienced people.

They authorized and approved. They saw all the results of what we had done within Canada. They were finding similar problems not only in other governmental jurisdictions but even in the private sector which could not fully fill their needs. So they authorized us to recruit in Britain, which we did. There was one recruiting activity in May and June 1982. In fact, it was one trip encompassing a total of four weeks. Of course, there was a lot of advertising that led up to it.

We had a grand total of 310 applicants out of that one recruiting activity. The total applicants interviewed were 64; total offers made, 24; the total number of new recruits who have accepted the offer and are either already here or on their way is 18. We have ended up being able to recruit these people at a lower average cost and relocating them to Oshawa. As the member is aware, anybody who has been recruited in the last couple of years has known that the ultimate place of work will be Oshawa. We used that as the point of reference.

The average cost of recruiting and relocating these people from Britain is working out to about \$10,000 to \$11,000 per recruit, versus the \$12,000 to \$14,000 within Canada. More important, we were not going over to Britain to save \$1,000 to \$3,000 per recruit; frankly we just could not get them here.

Mr. Breagh: I find this an interesting exercise. Can you offer me an explanation as to why it is cheaper to go across the pond and do your recruiting there than it is to do it in Canada? It seems you have discovered some phenomenal technique and I would be interested in hearing what it is.

Hon. Mr. Ashe: I think the comparison is unfair. We actually went into the marketplace 14 times in Canada with literally the same number of hirings as we did with one concerted campaign, at much greater cost, in Britain. When you weigh the results and their cost, that is why it becomes so much cheaper.

All of these, obviously, have lead-up advertising costs which are quite costly and they were over there as well. As a matter of fact, the total cost relating to the recruiting in Britain was \$67,000. That included about \$9,300 for air fare; about \$4,000 for land transportation, phones, etc.; accommodation, \$12,000; advertising and other related costs, \$30,000; meals, \$7,500; and interviewing facilities \$3,500, for a total of \$67,000. When you divide that by the number of people, it comes to about \$4,200, and then you add to that the average relocation cost of

\$6,000, that is where the \$10,000 and \$11,000 come in. Again, comparing that in Canada, it was just that there were many more pieces of activity which cumulatively added up to a lot more money without producing any more net recruits.

Mr. Breagh: In answer to my initial question, in a variety of ways what you have said is that you spent something in excess of \$180,000 to recruit 18 employees in Britain. Is that right?

Hon. Mr. Ashe: No, that is not the number I used.

Mr. Breagh: I know it is not the number you used; I am trying to answer my own question with the little bits and pieces of information you gave me. You said it cost between \$10,000 and \$11,000 per recruit and that you had 18 recruits.

Hon. Mr. Ashe: Once you get them here, yes, with the relocation and the costs of recruiting—

Mr. Breagh: All included.

Hon. Mr. Ashe: Yes.

Mr. Breagh: Do you have designs on repeating this process again this year, where there will be a need?

Hon. Mr. Ashe: It would not appear that we will have any needs this year. I think we still have a few openings but it would not be worth our while to go over for the sake of a few people. Needless to say, the people we do bring over make a commitment to us for a minimum period of two years; that is their contractual commitment to us. If they leave before that time, of course, in effect they have to repay us for the costs involved in their relocation.

As I am sure the member is aware, this is an area that has been highly competitive literally within North America, not only in Ontario or in Canada. There is no doubt that part of our problem has been to get and to keep some of our good people; they have been going elsewhere. So not only have we had to keep on building up our staff as we have been building up these systems and the appropriate programs that make them work, but to replace people who have gone to other opportunities.

Believe it or not—and I know this is contrary to the views of many members—we are not the highest-paying institution in this country or in this province.

Mr. Breagh: It is an interesting exercise, though.

I wanted to ask a couple of questions because I see, running through the numbers on this particular vote, relocation fees and commuting

fees. Again they seem to be split up rather niftily. Do you have an idea of how much money it is costing for relocation purposes of employees throughout the ministry for the move to Oshawa; and secondly, some concept of what you are calling in several of these items, “commuting costs”? Would you clarify that slightly? I seem to have a little difficulty in piecing all of this together.

Would you have such a thing as a global number for relocation of employees; and secondly, some concept of what you are paying in total for commuting costs? I do find a bit of a conflict there. The original idea was that this ministry's whole office would be moved to Oshawa and that would be it. So, at the most, the relocation costs would be a one-shot deal. It would appear that it is now getting to be rather expensive to do that. Secondly, it appears to be compounded somewhat because of what are appearing in these estimates as commuting costs. What are those, and what is the global number, or the total, which you anticipate spending in the forthcoming year?

Hon. Mr. Ashe: As you can see, in vote 801, item 10, there is a substantial increase in that allocation this year. Last year, the actual for 1981-82 was something like \$2 million, and this year the 1982-83 estimates are \$12 million. Of course, that is when a lot of the acquisitions are made, and when the move takes place.

The total staff moved to date is about 210. The average cost per employee to relocate his or her residence is about \$9,500. The total cost to date on this is about \$1,947,000. Currently, about 205 people are receiving a commuting allowance; the average cost per employee per week is \$28. That is based on extra costs over and above what it would normally cost them to get to 77 Bloor Street West, which in most instances comes out to all or part of the equivalent of GO Transit fare from Oshawa. If they were already paying part of that anyway, we pay only the difference, but it averages out at \$28 per week.

The commuting expenditure to date is about \$168,000. People are allowed to receive their commuting allowance for up to nine months before their job moves and because we had the delay, principally because of the plumbers and steamfitters strike this fall, that has been looked at and an allowance was made recognizing that it was not the fault of the employees that their jobs did not get moved in November and will not

get moved until February. We are also taking that into consideration.

4:20 p.m.

Mr. Breaugh: In total then we are looking at a little under \$2 million for relocation cost. Are you anticipating that these commuting costs will continue? How long are they going to go on? My understanding of it originally was that this would go on for a transition period when there would be some people who would have moved to Oshawa and yet their job stayed in downtown Toronto, so that is what the commuting costs were all about.

Is it anticipated this will be an ongoing cost and that there are always going to be people who will be caught in that position, or are you contemplating that sometime, probably in the spring of 1983, those commuting costs will cease to exist and will not be there, at least in these numbers?

Hon. Mr. Ashe: Frankly, I think these costs will probably go up a little bit more before they go down. We have two types of commuting. There are the people who are still working downtown and who lived somewhere within Metro and in some cases west of Metro and they have already moved. They are getting a commuting allowance to come downtown until their jobs move. Obviously, once their jobs move their allowance will be completely terminated.

There is another group who will only start being eligible for commuting allowance once their jobs move and they have not yet moved. They will start to receive a commuting allowance on the day their job is relocated and will receive that allowance for a maximum of two years.

The allowance, of course, can be terminated by their relocation, but it will be paid for no longer than two years. What, in effect we are saying is that the approximately 800 or so people whom we anticipate are going to start commuting out to Oshawa are going to make a decision over two years, in most cases, as to whether they are going to look for other opportunities within the government or they are physically going to relocate their residence.

As far as our participation in commuting allowances are concerned, it is a two-year period, but they can make their decision in up to three years as far as getting assistance for the physical move. We will pay them a commuting allowance for up to a maximum of only two years. Again, the key is that if they move out there in a year from now, obviously they do not

qualify for that allowance for another year thereafter. They will have had it for one year and that is all.

Mr. Breaugh: Do you have an accurate concept now of the number of jobs that will actually be in the Oshawa office and the number of people who will be transferring, either from those employed by your ministry here in Toronto or from other ministries? Have you a more definitive answer on the number of jobs that will be available in the Ministry of Revenue in Oshawa, how many people will be transferring to fill those positions, and how many would be moving in from other ministries? The end result of that should be a clearer definition of how many jobs might be available to people who now live in that area.

Hon. Mr. Ashe: The current situation as we see it is, first of all, as I mentioned before, 210 people have already relocated to the Durham region who did live elsewhere. In the last couple of years we have hired in the Durham region in anticipation of their employment ultimately taking place in Durham. We have done most of our recruiting out there in the last couple of years. We have hired 255 people over and above the people who already lived in Durham. There were relatively few, I might say, who lived in Durham and worked at the head office of the Ministry of Revenue. There are now 255.

We visualize about 800 classified employees initially commuting from Toronto or elsewhere to Oshawa. Based on the current numbers that have been indicated to us by employees, we anticipate a further 76 people relocating. They have literally made the decision to relocate in the next fiscal year and I am sure that number will grow. We are now up to 1,340 people and we anticipate about 210 unclassified and GO Temp to be hired in the Oshawa area.

Those numbers, in terms of temporary people, vary from time to time. For example, when we are delivering the property tax grant program and that sort of thing we have quite an influx of temporary staff who are on for anywhere from a minimum of a relatively few weeks to a maximum of several months.

There is no doubt that the real moment of decision will be—apparently now not this winter, because they are going to miss a lot of the winter—when they have done it for a winter, going back and forth. There will be a lot more decisions made about the employees' future situation. Those figures I just gave the member add up to about 1,550, which is the expected complement of the building in Oshawa.

Mr. Breaugh: It would appear then that the original estimates of 600 or 700 jobs for the Oshawa area were a little out of whack. Closer to 210, maybe even 300, would be local people who have either been hired by the ministry now and work downtown or the minister anticipates will be hired locally after the move is made. Is that about right?

Hon. Mr. Ashe: No, that is not what I said. We have already hired 255 permanent classified employees. These are not jobs that will happen once we move. They have already been created over the last two years. On top of that, there are about 210 unclassified, contract and GO Temp who will be hired locally. There is no doubt the numbers are going to grow. Even just adding those two figures is 465, and it is my guess that over the next couple of years we can count on a couple of hundred more. It is pretty hard to be more definite than that. That is for sure. I do not think, looking a couple of years down the line, suggesting that half the ministry staff will probably come from the Durham region will be out of line at all.

Mr. Breaugh: On a couple of other matters that are in this vote, the Province of Ontario Savings Office is one that has intrigued a number of members. Does the minister have any plans to extend that in terms of the number of offices that are available around Ontario, and is there any move contemplated that might extend the scope of transactions that are carried on there? A number of us have suggested that might be a suitable place where Ontario could enter into a variety of things that have to do with interest rates, assistance for farmers, assistance for home owners and a number of other programs that have been suggested from time to time.

For example, is there a move contemplated that might open up a branch office in the new Revenue building in Oshawa? It seems fairly logical, if you are running a program of that kind, that there would be a branch there. I would like to hear the minister, if he could, expand on that particular concept for a few moments. Will that be part of the Revenue building in Oshawa? Is there very much in the way of planning for an extension of the number of offices around Ontario, and are there many thoughts being put together about the kinds of activities that might be part and parcel of the Province of Ontario Savings Office?

Hon. Mr. Ashe: As I am sure the member is aware, the decision ever to expand POSO is

probably more of a policy decision than just an operational one, but it is not the government's intention at this point, nor frankly do I foresee it—I do not want to say that is going to change tomorrow or give that impression—I do not foresee that decision changing, of expanding the role of the savings office within Ontario.

4:30 p.m.

As far as having an office within the Revenue building is concerned, that was looked at. I would not say to the point of taking detailed market surveys etc., but it was felt there were enough banking or banking related facilities in downtown Oshawa at this time for the amount of business that was available and that we would not be doing a service to the existing institutions in downtown Oshawa to get into competition with them at this time.

I suppose that could change in the future as the downtown continues to redevelop, but we did not feel it would be well received, keeping in mind our whole concept of being part of the revitalization of downtown Oshawa and offering opportunities was not to go in and try and put somebody else out of business, so to speak. That carried on into the banking business as well.

Mr. Breaugh: Listed at the bottom of this are the amounts for the parliamentary assistant's salary. Would the minister like the opportunity now to explain to all members gathered here, what the hell does a parliamentary assistant do?

Mr. Chairman: Order. That is unparliamentary language.

Mr. Breaugh: I did not want that detailed an explanation.

Hon. Mr. Ashe: I think that is not up for vote, it is a statutory appropriation.

Mr. Chairman, before there is a new question posed, I left one unanswered while I was getting it for the member from the north. What was he referred to as: the slightly rotund little figure from Rainy River. I think I read that in today's paper somewhere.

Mr. T. P. Reid: You know what that means, it means impressive.

Hon. Mr. Ashe: That is one interpretation. I am not quite sure that is what my dictionary says.

Mr. T. P. Reid: That is the one I used to use.

Hon. Mr. Ashe: That is true.

The services item in the communication branch, 8018. This is a breakdown of that \$45,300. Library acquisitions is the big compo-

nent; that is books, reports, periodicals, because they are responsible for the library within the ministry, \$26,900; the publication and distribution of the ministry newsletter, Revenues, \$9,000; photographic needs, which is processing film, etc., \$1,500; library and communication office supplies, photocopying, printing costs, regular office supplies, etc., \$7,900; for the 1982-83 estimates, a total figure of \$45,300.

Mr. T. P. Reid: I heard my colleague asking a question about hiring, I believe in England. Unfortunately, I had to make a very urgent phone call and I missed the answer. But because of my long years in public accounts, I decided I would have a look at the public accounts. I see that last year there was a payment to P.D. Bureau (England) of \$85,961. I do not think the minister touched on this. I wondered if that was to a head hunting firm or management personnel firm or whatever, and whether or not there would be a similar expense in this year's estimates.

Hon. Mr. Ashe: If I understood the time frame, the member was looking back into a previous fiscal year, is that correct?

There was a previous recruiting venture into the United Kingdom. I think it was handled a little differently at that time and a lot of the expenses and advertising, etc., was accumulated through an agency. That was undoubtedly the agency. It was done somewhat differently this time.

I am not suggesting one was better than the other in terms of cost, but that is my understanding of the explanation of that one. That was a previous recruiting trip.

Mr. T. P. Reid: And there is nothing in this year's.

Hon. Mr. Ashe: Not in the same context; we did have the expenses of advertising, accommodation, etc., that I put on the record a while ago in answering the member for Oshawa (Mr. Breaugh).

Mr. T. P. Reid: To go back: In terms of the supplies and services, under item 8 I think it was, there is \$26,900 for library acquisitions, books, reports and periodicals. I am not trying to nitpick about a few dollars but if I do not ask questions about this—one wonders how these budgets are put. Can the minister give us a little more explanation? Presumably, it is a rather large library and that is a lot of periodicals. Is everybody in the ministry getting Penthouse?

Hon. Mr. Ashe: If we are, I did not get on the mailing list but that is the way it goes; the minister is sometimes the last to know.

Within the communications services branch, quite rightly, is the library for the whole ministry. There are a lot of publications and periodicals, etc., that relate to technical aspects of the operation of the ministry. Obviously, all components of the ministry are somewhat technical in nature, particularly in the tax revenue program. That is the main component. There is ongoing updating of technical journals and other related publications. This is all funnelled through the central library which is under the budget of the communications services branch.

Mr. Riddell: I have a few questions for the minister on the new program he introduced although it is not mentioned specifically in the votes. It has to do with the fuel coloration program. This is a new program that has to be administered and therefore there is going to be a cost associated with it. I would be interested in knowing what the overall cost will be of putting that fuel coloration program into effect, the cost of additional staff to administer the program and the cost for the inspectors who will now be running around the country checking on those people who use the fuel to see they are using the fuel for the right purpose.

What I am trying to arrive at is this. Is there much of a cost saving considering the additional staff needed to administer this program and that the minister estimated, I believe, his ministry was losing in the neighbourhood of \$25 million in tax revenue because some people were cheating the system?

If some people are cheating the system, I would like to know if the minister could categorize the areas in which this cheating is going on and give me some idea as to how much revenue is actually being lost from each category, if you understand what I am getting it. If you are saying farmers have been cheating the system, I want to know how they have been cheating the system and how much revenue you feel has been lost on an annual basis because of alleged cheating on the part of farmers. If distributors are cheating the system, I want to know how they are cheating the system and how much revenue you feel you have lost on an annual basis because of alleged cheating on the part of the distributors.

I would like to get that information in detail because I am trying to justify the additional cost the ministry is going to incur to save what you consider is a \$25 million loss. I want to know how you arrive at that figure, a \$25 million loss in revenue?

4:40 p.m.

As the minister knows, I have met with him and I have raised questions in the House on this matter. I have had a delegation of distributors come down to see you. They raised some very important matters, some of which I think astounded the minister. One was that this program may well be contravening the Gasoline Handling Act inasmuch as the Gasoline Handling Act states there has to be a double bulkhead between tanks carrying different kinds of fuel. Yet, this program is based on single bulkheads.

When the distributors brought that to the minister's attention, as I recall, he looked at his chief of staff and said, "My God; are we contravening the Gasoline Handling Act?" Maybe those are not your exact words but you were somewhat surprised that you might well be contravening that act. Maybe the minister can tell me whether he has been able to sort that one out.

I posed the question in the House about the problems farmers are having with the coloured fuel. I talked about the flood filters and the damaged injectors and about the loss of power because of either the injectors or the plugged filters. The response to me was that it was obvious that the farmers were using these problems as an excuse to cover up for mechanical defects in their equipment, or something to that effect. That was the kind of answer I got.

When I went back for the warden's banquet some time after I posed that question, a number of farmers came up to me. They were alarmed to learn that the minister would even suggest that they were using this as an excuse to cover up mechanical defects. They are quite prepared to have the minister come to see them, or they would come and talk to him; but they would rather show him how this coloured fuel is actually causing them a lot of lost time.

I was told to go and have a talk with one of the businessmen in my area who deals with injectors because he is doing more business in injectors now than he has ever done in the history of his business. He is either selling new injectors or trying to repair damaged injectors. So, you cannot tell me that the coloured fuel is not causing a lot of damage to this equipment.

The Ontario Federation of Agriculture, at its convention which started today, passed the following resolution, titled, Coloured Diesel Fuel for Agricultural Use: "Whereas many farmers have been unable to keep fuel filters clean due to the red dye in the diesel fuel, and whereas many diesel fuel injector pumps, valves

and injectors have been damaged by this abrasive dye; therefore be it resolved that the OFA pressure the Ontario government to stop the use of this dye until a safe and reliable substitute can be implemented."

I know the minister is going to get up in his place and say that this coloured fuel has been used in other jurisdictions and that to the best of his knowledge there has been no problem. Mr. Minister, you cannot tell me that the OFA would pass this kind of resolution at its convention if it was not getting from farmers right across the province the same complaints I am getting from the farmers in my own riding.

I have sent the minister a list of names of farmers whom I would hope he would contact. They are farmers who definitely have had all kinds of problems with the dye. They tell me they are constantly changing the fuel filters. I understand that some of the co-ops who have been distributing this coloured fuel have had to go out and take that fuel out of the tank and replace it with clear fuel so that the farmers could continue to operate.

There must be something wrong. If it has been tried in other jurisdictions and if it is being applied in other jurisdictions, then they must be using a different dye or are using it in different proportions. I do not know what it is, Mr. Minister, but the farmers are encountering all kinds of difficulties with your coloured fuel. They surely are not using it as an excuse to cover up for mechanical defects in their equipment.

Lastly, I want to know what is going to be done about the warranties on this equipment. One of the equipment manufacturers has said it will not stand behind the warranty if it has been proven that coloured fuel has caused the damage. If it is not going to stand behind the warranty, does the minister intend to reimburse the farmers for repairs to their equipment, to repair the damage that has been done by the coloured fuel? Or is he going to go to the equipment manufacturer, in this case it happened to be Ford, and say to the president of the company: "There is just no way the coloured fuel is causing this damage and you are darned well going to stand behind your warranty. You are not going to blame it on the coloured fuel?"

Somehow we have to give the farmers the assurance that they are not going to be spending money they do not have. The minister is well aware of the input costs farmers are faced with now and the extremely low prices they are getting for their products. They certainly can-

not bear any additional cost. The farmers are wondering if the minister is going to help them out with some of the cost of replacing fuel filters and fuel injectors and lost time and all the rest of it, because he insisted on having a coloured fuel program.

I have raised a number of things. I have raised the costs that are associated with implementing and administering and putting inspectors out on the road to check into the fuel situation. I want to know how the minister arrived at the figure of \$25 million lost revenue in the first place. I want to know who is cheating the system. Is it the farmers who are cheating the system? Are the distributors cheating the system? How are they cheating it? Is the program contravening the Gasoline Handling Act, because the act calls for double bulkheads and this program is based on single bulkheads?

Does the minister intend to reimburse the farmers if they continue to have problems with the coloured fuel program? Or is he going to act on the resolution that was passed today by the Ontario Federation of Agriculture to stop the use of the program until such time as a safe and reliable substitute can be implemented? Finally, what is the minister going to do about the companies that are manufacturing equipment but say they will not stand behind the warranty if it can be shown that the damage was done by the coloured fuel? I would appreciate answers to those questions.

Hon. Mr. Ashe: I will try to catch them all. I am sure, if I overlook any, the member will remind me.

Let me say, first, in regard to this business of warranties, etc., I am quite sure, if there is any indicated proof that the cause of any problem relates to coloured fuel, that becomes an issue. I am sure we would have no problems going back to the manufacturer, whether it be Ford or Chrysler or Massey-Ferguson or whoever, and suggesting, if it is trying to opt out of a warranty using that kind of crutch, that this government will not look very kindly upon it.

Let me move back for a moment to—

Mr. McClellan: Well, what are you going to do?

Hon. Mr. Ashe: If the member will be quiet for a minute, what I am saying is that we have no indication of problems to speak of. I will not say we have none—that is too absolute—but let me get to that one in a minute and go back to the double bulkheads issue.

We have checked the Gasoline Handling Act

and people have confirmed that single bulkheads are provided by law and there is no need for double bulkheads between like products. There have been many single bulkheads installed and that is not a problem.

In a question on that issue from a member a month or two ago, I acknowledged that there is no doubt under certain circumstances there might be some inconvenience to a particular distributor, depending on the nature of the products he has been handling in the same delivery truck at the same time. So there could be some inconvenience, but that would be a very isolated situation. For the handling of a similar class of products, a single bulkhead is all that is necessary. As I understand it, the difference would be that there could not be gasoline next to furnace oil, as they would be two different classes of products. But there could be bunker C and diesel and furnace oil and stove oil all in the same truck with single bulkhead separations, because they are all in the middle distillate line.

4:50 p.m.

Getting back to the actual staffing, that question has come up before and it is all on the record. I will summarize it briefly. The total staffing involved is 43, 27 of whom are inspectors involved in the coloured fuel program, 10 auditors in the ad valorem tax program and six supervisors. That is the total increase in complement of 43 as shown in the estimates at a total estimated cost of approximately \$800,000 in salaries and wages.

As far as the estimate of \$25 million is concerned, again that is a question that was posed earlier. I indicated, as I did when I brought through the fuel tax legislation, that we do not know for sure. The estimates ranged from a low of \$10 million to a high of \$50 million, and \$25 million seemed to be a reasonable number on the low side of the middle, because we did not want to overestimate the shrinkage. I cannot identify specifically where the leakage takes place. Obviously, if it could be identified specifically, the problem would already be solved. We based it on knowledge of the amount of product that is produced and ultimately consumed. We based it on knowledge of other jurisdictions, the problems they had and the difference in their revenue when they went to the coloured fuel program.

To give members some idea, 90 per cent of all the middle distillate fuel is exempt fuel now, as heating fuel, and for industrial and farm use. Until the coloured fuel program, there was no

way to detect when a nontaxable fuel was being used in a taxable way. The primary evasion was heating oil being used in diesel trucks. In most cases, we are not talking about the farm trucks, but it was done there too. That is not where the big amounts were. The big amounts were used in highway transport trucks. No exact breakdown by sector is available and the estimates are based on the gross volume of fuel that started in the system and ended up on the bottom. The shrinkage took place some place in between.

As to the specifics of the problems, we are quite happy to hear immediately from someone who thinks he has a problem or had a problem, or took a piece of equipment out that needed repair or replacement. We would be more than pleased to hear from someone like that, so that we can get involved and have it properly tested. As I indicated a number of weeks ago, we had testing programs for the Ministry of the Environment laboratory very early in the process, before the program was ever implemented. We are using the Ministry of the Environment laboratory now for any purported problems that are brought to our attention.

A new service we have started, to answer some of these concerns, is a technical bulletin: "On September 1, 1982, the Fuel Tax Act, 1981, enabling legislation for Ontario's coloured fuel program came into effect. Since that time, questions of a technical nature as to its effect on equipment, etc., have been asked. While assurances were given to Ontario that there was no detrimental effect which could be attributed to coloured fuel before Ontario undertook such a program, we have considered it imperative to fully investigate any incident where coloured fuel is purported to be the cause of a problem. In so doing, use of technical staff competent in their respective areas of expertise are being utilized as required on specific problems. As tests and studies of the issues are completed, their findings will be published as a technical bulletin."

I will read the first two technical bulletins that have been so put out.

"Technical bulletin 1. Subject: Filling hoses. Issue: To investigate the effect of coloured fuel on filler hoses.

"Background. A disintegrated filler hose was submitted to determine whether the damage to the hose could be connected with the storage of coloured fuel. A brand-new filler hose was obtained from the supplier, and experiments were carried out with 10-millimeter bands sliced off the wide end of the elbow hose. Two slices

were tested for approximate tear resistance, then soaked in uncoloured diesel fuel and coloured diesel fuel containing 20 parts per million of FOM-50"—which, of course, is our dye—"respectively for three weeks. After this the test slices were dried on the surface, tested and compared for tear resistance. There was no significant difference between the two test pieces. The above-treated test pieces and the disintegrated complaint hose were also examined under a low-power microscope.

"Conclusion. There was no noticeable difference between the test pieces soaked in clear fuel oil or in coloured fuel oil soaked for three weeks. The complaint damaged hose showed deep fissures that formed on the surface exposed to air but not on the surface exposed to fuel. This indicates that the case is a typical and characteristic ageing of a rubber product and the use of coloured fuel has nothing to do with the problem."

Next, "Technical bulletin 2," and this is probably more related to one of the issues you just raised: "Rotation injector pump. Issue: To investigate the damage purported to be caused by coloured fuel to a CAV rotation injector pump.

"Background. A CAV rotation injector pump model 3249F242 was submitted as being inoperable due to coloured fuel. On investigation it was determined that the wear of the pump was indicative of 2,000 hours of use," which I understand is the approximate life expectancy; I do not know that from my own knowledge.

"The inoperable condition of the pump was due to: first, the screw of the drive plate was loose and broken, the governor unit was broken," in other words, the governor weight retainer sleeve, etc.—"the hub drive was worn where the seal goes.

"Conclusion. The damage to the pump was not caused by coloured fuel but was caused by either an assembly problem or from normal wear from use."

We are quite pleased to hear of any and every situation purported to have been caused by coloured fuel. I had another one that was investigated—it has not even gone to the bulletin form today; it was just brought to my attention late last week—where supposedly a rather substantial operator in the farming community was having all kinds of problems with some rather large combines. We immediately contacted him and investigated it and, lo and behold, we found out directly from him that he really was not having any problems at all. He

thinks he is changing his filters more than he did before—he did say that; but he has heard of some other people who were having problems. That turned out to be the extent of the problem referred to.

Frankly, one problem no doubt comes in when somebody takes off a filter. He was used to taking a filter off before and seeing some residue. It was not as easy to see before, because in many cases the residue probably was not very different in colour from the filter. Now he looks at that residue and it is all red. Naturally it is all red; that is what the dye is for: to make everything in there red and identifiable. So he is saying, "That is the dye." In fact, in any filters we have tested to date it is not the dye that forms the residue; it is just that the residue has become dyed.

Again, we would be very pleased and happy to have any and all situations brought to our attention as quickly as possible so we can have the complaint investigated and tested. As I say, we have testing facilities available to us and whatever technical expertise is needed, principally through the Ministry of the Environment laboratory. If we end up with any kind of proof that there is a problem, we will be happy to address it. But so far, frankly, we have had none.

As far as the kind of dye is concerned, and I am not sure whether the member for Huron-Middlesex (Mr. Riddell) was here on Friday when the question was posed to me, the only thing that could be causing us the odd problem, and this is one that I think is a possibility, is the hand dyeing of fuel. That has been taking place, as members will know, to dye the inventory that was around.

5 p.m.

It is not supposed to happen, but possibly some of those adding the dye were not as accurate as they should have been in the amounts of dye they put in. I think it is possible for that to happen. I do not know of any specific instance as yet. We have not found any, but if we have some fuel drawn to our attention that appears to have a much greater concentration of dye, that is the kind of thing we will be looking for. There is no doubt if that were substantively out of whack from the 20 parts per million, maybe that could cause some problems. It is to be hoped that has not happened, or at least that it has not happened very often. If that was an occurrence, of course that will pass as the injection systems come into play and hand dyeing no longer will be available, at least to any great degree.

Last, but not least, was the other question about the other jurisdictions. Colouring has been in existence in many jurisdictions for many years. We do not use the same dye as they are using in Manitoba, Saskatchewan and Alberta. They are using a blue dye. Maybe it would be more appropriate to use that in Ontario, but we are not using the same dye that they are.

We are using exactly the same dye, the same manufacturer and the exact same ratio of 20 parts per million as the jurisdiction immediately to the east, the province of Quebec. They have been using it for three years, again without any significant problem. I am avoiding the absolute of saying "no problems," because I am sure they did have some; but they had no significant problems. If there had have been any significant problem, I am sure it would have shown up long before three years of use.

Really and sincerely—and I do not mean this to be negative or derogatory in any sense of the words—I think we are all human beings and when it comes to some change in something we are used to doing or in a particular piece of equipment we are used to operating or working with, if anything changes in that environment it is very easy to blame any problem, even if it is a hiccup, on that particular reason, whether it is right or not.

As I say, I do not mean that in any belittling way. I think it is human nature, and farmers are just as human as the rest of us. I do not belittle them in any way when I say they are blaming that if there is a little hiccup or cough out of the tractor or the combine, because probably we would all do the same thing.

We will continue to test, and it is to be hoped we will be made aware as quickly as possible of any perceived problems. If we end up with any serious indication of problems which we can substantiate or prove in any way, we will be happy to report to this Legislature and respond accordingly, because it is obviously an extremely important area.

Mr. Stevenson: Mr. Chairman, I have also been doing some checking on this particular subject. I started checking last Friday and did some further checking today, partly because of some concerns of farmers in my area and partly because I also have a substantial vested interest in the answer to the question myself.

Since last Friday, I have checked with the three major diesel repair people I am aware of in central Ontario—in Toronto, Oshawa and Peterborough. They have not noticed any noticeable increase in their business on farm diesel pumps

or injectors. I also checked with two of the larger farm machinery dealerships in the area north and east of Toronto and they have not noticed any significant increase in filter sales. So the question is being asked out there, at least in the area I have checked with, but the fact does not really seem to be there.

It is also interesting in our own situation that we have put more than 400 hours on one diesel unit and more than 200 hours on another diesel unit since September with no noticeable effect.

Mr. McGuigan: Mr. Chairman, the minister has answered a number of the questions I posed last Friday on this program, and I think the one I can accept most readily is the fact that the dirt and the contamination in the fuel are now dyed and will show up. That seems to me a pretty logical explanation.

However, I do have one user who has a brand-new tractor. It has only 275 hours on it—I think the warranty runs for some 600 hours—and the explanation does not quite fit. In investigating this, I sent a letter to various manufacturers, which I just want to read into the record: "I understand that warranties on your machines are void if there is contamination in the fuel. Can you tell us whether or not you consider the additive in the Ontario coloured fuel program to be a contaminant?"

I have a letter from just one of them—I only sent this out on November 15—from the Ford Motor Co. It says:

"With reference to your letter of November 15, 1982, about our warranty being voided by the use of coloured fuel, the situation is more complex than your letter suggests.

"We would not void the warranty on the total machine if coloured fuel were used. However, if the colouring compound was diagnosed to be the cause of a failure, then we would have to decline warranty. As long as oil companies use a material that dissolves in the fuel and does not react to heat developed during combustion, there should be no difficulty. The risk is that dye materials may react to combustion to form deposits which foul up injectors or create an ash that is abrasive to engine parts or that may result in low-temperature sludging or abrasion to fuel system parts.

"To date we have no experience of dyes causing a failure that has been ruled out of warranty.

"Yours truly, R. O. Edwards, service manager, tractor and equipment operations."

I imagine the other companies probably have

similar policies, although of course I only have the one on hand from Ford.

The minister mentioned that during the phase-in period there was some hand injection of dye to material and, human nature being what it is, one can understand that some people possibly would do a really thorough job while someone else would just throw it in.

It would seem to me that the carrier, which in this case is furfural, being lighter than fuel oil, could end up in fairly heavy concentration floating at the top of a tank, and therefore it would be the last to be burned as the tank ran dry. You could have pretty heavy concentrations, owing really to human failure.

The minister said during his answers to my colleague the member for Huron-Middlesex (Mr. Riddell) that he would be glad to look at individual cases and bring them back. I assume from this that he is suggesting that someone other than the farmer might pay for it.

Would it be the minister's thought that the fuel dealer would be responsible for this, or would the Minister of Revenue be responsible if it were proven that it was caused by actual human error? I will leave him to answer that. I will be glad to supply him with the names of a couple of people who have come to me.

The other area that has been brought to my attention is this matter of the compartments in the tank. I have a letter that I would like to read shortly from a fuel dealer in my area who has four compartments in his tank now and would like to go to five.

It may be more important, perhaps in my own part of the country, in areas where they have a heavy snow load during the winter, which of course runs all up along the Huron and Georgian Bay area and into northern Ontario, especially where you have smaller farmers, who are relatively small users of fuel during the wintertime, since the tractors are parked for most of the winter.

5:10 p.m.

The householder and farmer depend upon fuel oil for their home heating system and, in the case of a very bad storm, there is the possibility they might run out of fuel. So the dealer or distributor who goes up those country roads to call on those customers needs to have a variety of fuel in his truck, especially so he can top up the heating oil tank. It would be disastrous to his business and to his customer if the customer ran out of fuel and the distributor could not get in there for two weeks because of particularly bad weather.

These people claim they really do need five compartments. I would like to read a copy of a letter I have here from a chap in my area. It is from Wilmott Fuels Ltd., signed by Mike Wilmott, Rural Route 2, Dresden, Ontario, and addressed to Mr. B. Cooper of the Ministry of Revenue, Toronto. It reads as follows:

"I am writing to you on behalf of my fellow associates, the Pronto Esso Agents Association of Ontario. My major concern is with your decision to make a grant available to allow an existing compartment to be divided into two compartments with only a single bulkhead between them.

"As you are aware, we handle gasoline (all three grades) and all middle distillates—furnace oil, diesel fuel clear, diesel fuel dyed, stove oil, kerosene and solvents. We are now operating with four-compartment trucks, and a fifth compartment is essential to handle the extra product of coloured fuel.

"The Gasoline Handling Act prohibits the handling of gasoline and fuel oil (class I and class II products) in a tank truck without double bulkheads. (Gasoline handling code 1979 regulation 380 section 5(11)).

"It is my understanding that your interpretation of the act is that a single bulkhead is allowed if both compartments separated by the single bulkhead contain the same types of product, either class I or class II. Even if this were the true intent of the act, which I strongly doubt, it would not alter our predicament, because we simply cannot designate the single bulkhead compartments to always carry the same class of product.

"As an example, the truck may have a full compartment of coloured fuel left on"—this would be a case where they out delivering on spec and came back with a compartment still filled with that—"and the next load requires that same compartment to be filled with coloured fuel and the rest of the load is all gas; or you may need the small compartment of coloured fuel left on the front of the truck and 1,000 gallons of clear diesel in the back of the truck with two compartments of regular gas and one compartment of unleaded. The only way you could use the single bulkhead compartments for class I or class II product would be to pump off all of the fuel left in the truck and start over. However, the capacity would still not allow the correct amount of each product to be loaded."

He gives an example where truck compartment 1 contains 550 gallons and compartment 2 contains 550, separated by a single bulkhead;

compartment 3 contains 400 gallons; compartment 4 contains 900; and compartment 5 contains 600. If the number 2 compartment is still full from the first load of dyed fuel, and the second load requires 1,500 gallons of clear fuel, 550 gallons of dyed fuel, which is still on the truck, 550 gallons of regular gas and 400 gallons of unleaded gas, he says, "You are now in violation of the Gasoline Handling Act since you have gasoline beside diesel or heating oil separated by a single bulkhead.

"There is absolutely no way that I could send a driver out with this type of tank truck handling eight or nine dangerous products and using a single bulkhead.

"We are now faced with a whole new area of problems. We need a new five-compartment double manifold and all new lines and the new compartments have to be modified to provide a sump hole which will completely drain the tank." I understand they have to do this because they do not want cross-contamination with the coloured fuel.

"We also automatically lose 200 or 250 gallons of transport capacity when we install a double bulkhead, again causing a very real cost factor since we are paid a commission related to a larger truck." I interpret this to mean he would get a lower rate once he made the truck larger. "The tank will have to be lengthened to meet Ministry of Transportation and Communications standards.

"I hope that you realize the futility of asking us to work with such a dangerous change to our present standards.

"I have taken the liberty of obtaining two new quotes to change my two trucks from a four-compartment double bulkhead to a five-compartment double bulkhead and extend the tank to keep its present capacity along with meeting all government and Gasoline Handling Act specifications. Please find enclosed the two quotes required to make all the lawful changes."

This is signed by Mike Wilmott, president, Pronto Esso Agents Association of Ontario.

I have the quotes but I will not bother reading them. I think I can summarize them by saying that if one went to the full extent of the quotation, it would cost \$21,000 to extend mostly tanks and the truck. It might be fairly easy to dismiss the fact that while one does not need to extend the truck, anyone who has been around trucks, and I certainly have, realizes the importance of the balance with the load, especially over the rear axle.

With a stake truck, one might be able to

extend the size of the body or, if the body wears out, to put another one on. The driver can adjust that by loading his load to the front of the truck, putting the heavy weights to the front and staying away from the back end. But in a truck that contains fluid, heavy loads are going to be extended over the back; so it becomes important for the wheel base, the frame and so on all to be in proper balance.

He came up with a very high cost. I understand under the ministry's program he will be allowed a subsidy of \$4,000 a vehicle or up to \$65,000 for a distributor to assist him to meet these costs so they do not have to be passed on to the customers. I think when the minister set that amount he did not take into account the Gasoline Handling Act. I ask the minister now to reconsider.

In the cases the minister mentioned in his answer to the previous speaker, the minister said there were some cases where this was the case. In other cases, he said it was merely a matter of an inconvenience. I can see that in a city situation, a truck would not be going out with five different products on it. But in some parts of Ontario, depending on the weather, the size of the farm, the snow conditions and so on, trucks are going to be required that contain five compartments.

Even though a small number of cases may be involved, I ask the minister to consider a proper subsidy to take care of the extra costs, because they are certainly going to have to be passed on to the user. We can talk all we want about distributors absorbing the costs, but the minister and I know that in the long run they are going to be passed on. In our present economic situation, they are going to be passed on to people who cannot bear that extra cost.

I ask the minister to look seriously and carefully at most of these problems and come up with some answers.

Hon. Mr. Ashe: Mr. Chairman, we will continue to look at that issue. We did retain experts in this field because we had nobody on staff in terms of evaluating the various needs that were being put forward as to tankage costs, etc., and what was needed compared to what they utilized before.

These experts tell us there are virtually no situations where what the honourable member has described would really be needed because of coloured fuel in most instances. If they had the problem of size of load, if they had the problem relating to single versus double bulk-

heads of using two different classes of fuel, in most cases they had that problem before.

In a previous question on somewhat the same subject, I did acknowledge that there could be isolated circumstances, where it happened very seldom, where there could be a little more time and inconvenience to the dealer than he would like, and having a bigger truck with an extra compartment would probably facilitate that; but I think that is a different question.

5:20 p.m.

Basically, we designed the program to pay for the costs so that operators could carry on the kind of operation they had before. The consultants we have retained in that regard tell us—and they look at every proposal that comes forth and investigate it and examine it—that what we have been doing takes care of virtually all of the situations.

If there seems to be a new area where that is not the case, we will look at it. We have already expanded the program to acknowledge what we did not before, such as the tankage for farmers, for example. That was expanded very recently. That was not originally envisaged.

As far as the member's opening reading of the letter from the Ford dealer or Ford distributor, whatever level it came from, I might just add that I am not surprised at their answer. I am quite sure that Ford sells and has sold diesels in Quebec for many years, so they should have had some experience, not within that particular operation but within Ford. Of course, they can investigate that.

The other issue that he raises vis-à-vis the combustibility of the dye and any ash residue—that is an appropriate use of the words anyway, an "ash residue"—is that the combustion temperature of the dye is lower than the fuel of which it is made a part. In all of the testing that we did before, it was proved that the dye burns before the fuel it is part of and does not leave any residue and that combustibility and residue after combustion should not under any circumstances be a problem. As a matter of fact, in any of the purported problems that have been referred to, I do not think I have heard any of them talking about it at that end. It has been more at the filter end before it ever gets into your combustion chamber.

We will continue to examine it. We will continue to look at it and any particular situations that come before us. Again, we have expanded the program before when it was felt fair and needed and equitable, and we will continue to operate it in that light.

Mr. Elston: Mr. Chairman, my remarks will be brief. I was going to wait until later on, but since we have had a discussion about this I thought I would also speak right now on the coloured fuel program. I do have fuel filters here from Mr. Ross Huber of rural route 3, Teeswater, and his dealer has told him they should not look the way they do and he has had a considerable problem. I will give them to the minister so that he can take a look at them.

If it had been an isolated incident, I would not be bringing it up here in the estimates. However, I have had several calls from farmers at all hours of the night when they have been trying to process their corn and other things. Since that is the case, I want to bring this to your attention so that you can look at these filters which I asked be brought to me and forwarded on for the testing, as you had indicated.

In addition to that, I have other concerns about the coloured fuel program itself. First, I suppose it revolves around my question to you in the House on September 24, when I asked about the kerosene, at which point you said you had no intention of taking the dye out of the kerosene. Yet I discovered that as of September 24 a directive went out from the Ministry of Revenue that very same day, to fuel companies, saying that kerosene is no longer required to be coloured.

Hon. Mr. Ashe: Temporarily.

Mr. Elston: Temporarily; that is true, but at the same time it did not jibe with what the minister told me in the House during question period that day. In my mind, that should have some explanation today, even if it is only brief.

In addition to that, I would like to know what costs are being incurred with respect to the acquisition of the dye, who is paying for that and how it is being financed. How is the minister reclaiming the dye he sent out by special delivery to various bulk dealers? How much did it cost to deliver that dye to those people and how much of it has been returned to him? How much is he anticipating being returned?

In addition to that, the costs are considerable with respect to storage of the coloured fuel by the bulk dealers. In some situations, I know special arrangements were made with companies across the province so their dealers who use company equipment would receive some compensation. In addition to those company people, there are also individuals who are independent. I think it should be explained to us how much it has cost in terms of installing new bulk

tanks and the granting program that went on with respect to equipment changes there.

I have also been advised there have been considerable difficulties with respect to a process called bottom loading for large transport trucks. When a trucker is filling his unit at a large depot for delivery to other bulk areas around the province, apparently a new type of loading called bottom loading was put into effect not long ago. I have been advised by several truckers they have had numerous problems with respect to the operation of this bottom loading program. I wonder if the minister has heard anything about that or made any study of this trucking problem.

It seems to me that when the dye in its concentrated form was delivered to the various bulk plants there should have been more precautions set out by the Ministry of Revenue than there were. As I understand it, few instructions accompanied this dye. It was followed days after it was delivered by several pieces of literature from the companies which said, "We have been advised you should wear rubber gloves and, if you are handling it, you should wash your rubber gloves because it will eat the rubber gloves." I am talking about the concentrated dye, not the fuel itself.

I have been informed they also sent instructions that if one is working with this dye one should wear protective eye covering. I understand that came about as a result of an accident at one of the plants where a federal inspector came in contact with some dye and has had some serious problems related to that.

I do not know if the minister is fully advised of that situation or if he wishes to comment on it. In relation to these programs, I think before they are introduced the minister has a duty in his statements about the introduction of the programs to come across with all these possible health problems so people are alerted prior to any of these terrible situations arising.

I should comment also with respect to some of the comments the member for Durham-York (Mr. Stevenson), I believe it was, made with respect to his inquiries of various companies. I have made some inquiries in my area as well and they have noted a substantial increase in the sale of filters. I do not know whether it is the result of the climate in our area or what the difficulty is, but there have been several problems noted in our area. Mr. Huber is but one example. I will forward that to the minister.

Before I sit down, the minister might tell us how the excess dye that is received by the bulk

people is to be returned. I know there are bulk dealers in our area who used very little of it, as I understand, and would like to get it off their hands.

5:30 p.m.

Hon. Mr. Ashe: Mr. Chairman, first of all, I look forward to getting those filters so that again we can pass them on to the Ministry of the Environment lab for testing, and I will be happy to report back to the honourable member with the results.

The member had a few questions about the tankage and what our grant program under the Fuel Tax Act was going to be. It was estimated that the costs were \$4 million over three years. The dye is approximately \$800,000 per annum, and that, of course, is paid for and supplied by the province. It is not a cost to the distributor or anything.

As far as the handling of it is concerned, I guess it does not matter what you do in the way of making people aware of proper handling and security procedures. You can only tell them what to do; you cannot stand over them and force them. But there are rules and regulations under the Fuel Tax Act as to how dye is to be handled and under what kind of sealed conditions and what have you. It was my understanding that they did have the rules and regulations before or at the same time as they had the dye, and I suppose there could be, and maybe were, situations where they did not get there until afterwards; but they should have.

As to the issue of the bottom loading of the trucks, I understand that our people do not even know anything about it, so it is news to them. If it is an issue, it has not been brought to us that we are aware of.

As far as safety precautions are concerned, I want to make sure that everybody is clear—that the member obviously is—that when I talk about the innocuous substance of 20 parts per million in the dye, in its concentrated form, yes, it is a strong substance; any dye would be, as is any acid or anything at all in a concentrated form. Obviously precautions in handling the concentrate are significantly more important and demanding than they are once it has been added to the host fuel. But I think that when you are handling fuel, period, safety precautions are always recommended, and I do not think coloured fuel is dissimilar to any other kind of fuel. But there sure is at the front end if you are handling it in its concentrated form.

As far as the surplus dye is concerned, as I indicated before, we have inspectors out in the

field and all you have to do in a particular situation is just to call the ministry—I can give the member a phone number if he likes—and the inspector will be happy to stop by and pick it up. The phone number is 965-2582 if the member is interested. He will be happy to pick up any excess dye.

I am told that a safety sheet was issued to all handlers of dye by Morton Chemical before any dye was distributed in Ontario. This is similar to what they had done in Quebec. It is hard to guarantee that 100 per cent of them got it before it was distributed, but they were all supposed to have had it before the receipt of any dye whatsoever. I do not know that I can put it any more strongly than that. The supplier indicates they had, and they were supposed to have, but I suppose there could have been a situation where in fact they did not.

Mr. Renwick: Mr. Chairman, this is a matter that I want to raise briefly with the minister. It is not at this point within his jurisdiction, but it has been rather a hobby-horse of mine over the last few years.

I have been trying to persuade the Ministry of the Attorney General that the uncollected fines across the province in all categories that are owing to the crown, together with the uncollected court costs which are awarded in court proceedings, should at some point—when a particular fine or monetary obligation is owing to the Treasurer of Ontario and is past due by a certain period of time, or is payable to the court—however that process is by which the moneys payable by way of fine and court proceedings finds its way into the consolidated revenue fund, I have felt that it was extremely important that at some point the obligation of the administration of justice come to an end and be picked up by the Ministry of Revenue as the principal ministry of the crown responsible for collecting past due amounts.

I just do not believe that the administration of justice is geared or competent or able or has the facilities to collect the moneys which are owing after judgement has been rendered in many cases.

Undoubtedly the minister has not noticed, but I did put an inquiry of the ministry on the Order Paper—referable of course to the Ministry of the Attorney General—asking that the ministry please advise for each judicial district the total amount of outstanding fines which remain uncollected as of September 30, 1982, or at the latest date for which the information is available, under each of the following headings:

(a) municipal infractions; (b) Criminal Code offences; (c) Highway Traffic Act offences; and (d) other provincial statute offences; together with, in each heading as a separate item, the court costs also remaining uncollected.

I expect I will get an answer of some sort. The interim answer indicates that I may very well get an answer, if possible, before the end of December.

My recollection is that I have raised this on two or three occasions with one or more of the minister's predecessors and I have also raised it from time to time with the Attorney General (Mr. McMurtry) under the Ministry of the Attorney General. It seems to me that, certainly, say after a one-year period or a six-month period has elapsed, with the communication and recall facilities now available, it should be possible for the Ministry of Revenue to then have the responsibility for collecting the dollars.

I can only talk in impressions, but my impression is that there is an immense number of dollars staledated and owing to the crown out of the court process, and that the system for following up and actually collecting those moneys is to say the least not an efficient, businesslike process. I simply ask the minister if he considers that there may be some merit in pursuing the matter and, if the dollars that I am talking about warrant it, that he might discuss with his colleague the Attorney General of Ontario the whole collection process.

I recognize that in all likelihood it would require some amendment to the Ministry of Revenue Act in order to have that responsibility. It certainly seems to me to be appropriate that, as the collector of moneys owing to the crown you, basically, should have that responsibility, but more than anything else, I just think when moneys for government purposes are hard to come by, it would make extremely good sense for you to take on that collection operation, because the courts and the administration of justice are notoriously inefficient.

For example, I do not know what the present state is, but a year ago, if you happened to be fined in a provincial court criminal jurisdiction for a charge such as, for example, impaired driving, and it was a first offence and a fine of \$300 was imposed, the court would say \$300 or 60 days and counsel would then ask if the accused could have time to pay. The judge would say, yes, 30 days, or 35 days, or 60 days. If the accused walks out of that court and ignores that fine, by the time the police get around to serving him with a warrant of arrest in order to

put him in jail for the 30 or 60 days in lieu of payment of the fine, it is likely to be anywhere from 18 to 36 months later.

5:40 p.m.

It is that kind of administrative problem which is inexcusable. I have tried in a general way to classify the various types of offences. I recognize that, for example, under the Highway Traffic Act, with the new plate-to-owner system, it may well be that there will be some process whereby fines owing for Highway Traffic Act violations may be made a condition of the renewal of the vehicle licence.

On the other hand, I think there are a number of these other matters where the dollars are very substantial and it deserves some study and consideration by the ministry in co-operation with the Ministry of the Attorney General. The Minister of Revenue will also notice that my inquiry simply asks for round dollar amounts at this particular time and is not asking for those which are in arrears for six months or a year or whatever. That would have to come out by way of study and I do not believe that information is readily available and appropriate for an inquiry of the ministry.

I think the dollar amounts, when they are tabled in the assembly in answer to my inquiry, will indicate that a very substantial part of it is substantially overdue. I would appreciate if the minister would either comment on it or indicate that it might possibly be considered.

Hon. Mr. Ashe: As the member has indicated, that particular function is not now in the purview of this ministry. I have no doubt that we have the capability to make it work and if at some point it is felt to be appropriate and worthwhile from a fiscal sense that this responsibility should be in the hands of the Ministry of Revenue, I am sure we can undertake it as efficiently as we have all our other tasks. I would also be interested in seeing the figures he has asked for.

As already indicated, there is no doubt that the new plate-to-owner registration that comes into effect December 1, 1982, will take care of the fines that come under the Highway Traffic Act because renewal will be conditional upon the payment of outstanding fines and those will be recorded on the computer and immediately available within the renewal office. That area is taken care of. If it is substantial, and I am inclined to agree with the member that there will probably be some reasonably big numbers, I am sure we can handle it. I will ask my deputy to

discuss it initially with his colleague the Deputy Attorney General to see whether exploring it in more depth might be appropriate and a possible area for this ministry to be involved with in the future.

Mr. Renwick: I look forward with interest to hearing whatever your findings may disclose about the advisability of it.

Ms. Bryden: The minister mentioned that his ministry, with its usual efficiency, would handle the request that my colleague suggested they might undertake. I find it a little difficult to accept that statement in view of the reputation the ministry gained through the home buyers' grant by sending out money to people who did not deserve it, and through the pensioners' tax grant by sending out money to people who were not qualified and not sending out money to literally hundreds of people who were entitled to it, until a great many phone calls and communications were made.

I am speaking on the communications vote as to whether the minister thinks he will be able to overcome the difficulties pensioners have in communicating with his ministry. A great many people who qualify for pensioners' tax grants have encountered these difficulties. I would like to cite two or three.

In January of this year, the Toronto Star in its Star Probe column had a headline, "Bugs Holding Their Own in Ontario Tax Grant Battle." I think that certainly described what had been going on in the fall of 1981 and the early months of 1982.

One person wrote: "I have wasted close to \$15 on long distance calls to Queen's Park trying to find out what happened to the \$50 sales tax grant and the second \$250 installment of my property tax grant for seniors."

Then he mentioned the first number produced no help and the second brought the information they had run out of application forms. He tried another information number which he said was a joke; one could start calling at 9 a.m. and still be trying at 4:30 p.m.

That is just one letter. I realize that is now 10 months out of date so there may have been improvements since then. My assistant in my constituency office still reports the system results either in being put on hold for a long time or, when somebody does come on, being told they will call back to take the information rather than taking it right then. Sometimes the call back does not occur. It seems to me this is all an unnecessary holding of calls and referring of calls from one phone number to another.

Today, I also had a case of a person whose cheque for the pensioners' tax grant went to not only the wrong address but to the wrong city or town. Yet I understand her application form included the postal code for her Edgewood Avenue address in Toronto. It was an application for a rent rebate. Her name was Gwendolyn Robinson, but apparently there is also a Gwendolyn Robinson in Manotick and it went to Manotick. Now she is told she will have to wait three or four weeks while they verify whether the cheque made out to her was in fact for her or whether it was cashed by somebody else. She is desperate for money before Christmas and she found this very bad news.

The main question is, why did it go to Manotick? Is there no means of speeding up the process of verifying it went to the wrong person and issuing a new cheque to the right Gwendolyn Robinson?

There is also a Mrs. Higgins at 275 Main Street whose husband died in 1980. She has told Revenue three times that he has died, but she is still receiving cheques in the husband's name. She finds this rather upsetting since she is still feeling the loss very seriously. She reports one clerk said she did not know how to put the information into the computer. Mrs. Higgins' daughter offered to go down and do it for them but I do not think the offer was taken up.

We still have to ask the ministry to do a great deal of work on its communication system under the pensioners' tax grants. Of course, a lot of us feel the whole system was badly devised, in order that the government could issue the maximum number of letters and cheques to individual taxpayers. But I am not sure the government has benefited in getting these kinds of letters with money in them out to the taxpayers, or that it has really received that much credit. Certainly its efficiency has been questioned by a great many pensioners. The frustrations of a great many people in getting the grant they are entitled to, or in getting the application form, or even in getting through to the ministry, are a matter of very great concern and they take up a great amount of time in my constituency office.

5:50 p.m.

While I am on my feet, I would like to ask the minister if he has discussed with the Treasurer (Mr. F. S. Miller) the question of updating the pensioners' tax grant. It was intended to provide that seniors would pay little or no property taxes, or at least that it would cover the educational part of their property taxes, which has

been a matter of our party's policy for a considerable time, and which the ministry had talked about considering. The pensioners' tax grant was brought in to give tax relief of a substantial nature to pensioners. That was back in 1980. The maximum grant to pensioners is \$500. That is also the maximum grant to those who rent.

By 1982, municipal taxes in the city of Toronto for a public school supporter had gone up by 22 per cent. So a taxpayer whose taxes were \$600 in 1980 and got all but \$100 of his taxes paid, now would pay \$733 and have to pay \$233 of his taxes. The percentage difference is that in 1980 he paid 16.7 per cent of his taxes and now he pays 31.8 per cent of his taxes. So the government is taking away or eroding the tax relief that it was giving to pensioners under that tax grant. The grant certainly should be indexed.

For the renter, the maximum grant of \$500 represented 20 per cent of rent of \$250 a month. Rents have gone up now so that the average one-bedroom apartment in Metropolitan Toronto is \$370 a month. Where before somebody at \$250 would get the full \$500, and that would represent 20 per cent of the rent, now the \$500 represents only 12 per cent of that average rent of that \$370.

I hope the minister will discuss or is already discussing with the Treasurer the way in which the government's pensioners' tax grant scheme is being eroded by inflation in both rents and property taxes, so that pensioners are no longer getting the kind of protection they were promised when that tax grant was brought in.

Hon. Mr. Ashe: Mr. Chairman, most of the particular concerns the honourable member drew to our attention, as I think she acknowledged, really related to 10 or 12 months ago. There is no doubt there were a fair number of problems in the delivery of the 1981 program and there were many reasons for them, which I will not go into again. But, summarizing the statement I made in the Legislature a number of weeks ago on mailing out our cheques—I am just trying to recall all the figures—in the first year of the program, the applications came back with about a 40 per cent error rate. We managed to assist people, and redesign and simplify the application form in 1981 and got down to a 23 per cent error rate. We further managed to refine the form this year and simplify it, and we now have the error rate down to about 11 per cent. This, in itself, has done an awful lot to facilitate the prompt processing of applications.

When you are dealing with nearly 600,000

applications from a senior age group, communication is not always the easiest. There are accessing problems. Believe it or not, there are some people who put in two applications from the same household. Sometimes it takes a year for the computer to bring them together and frankly, that has been the cause of some of the problems.

Most of those problems are now behind us. There has been very little problem in the delivery of the programs this year. As a matter of fact, I might draw to your attention that the program is virtually at the finalization stage and there is yet to be a question raised in this Legislature this fall.

If you compare that to last fall and winter I think you will find that is quite a bit different. It is still not 100 per cent. It will never be 100 per cent. The data we use is literally out of date today, even if it was up-to-date yesterday. It is the nature of the client group we have and that will ever be thus.

I think we have made significant improvements this year. We have made the program more accessible. The communications program is more accessible. There were more telephone lines this year. There was access right into the computer on information. In the majority of instances they were able to immediately check in and see if the application was in the system. If it was not, obviously that necessitated a call back, no doubt about that.

Similarly, there have been very few concerns of any significant nature out of the offices of the MPPs. As a matter of fact, those who are fair and honest will report back, as many I must say have taken the trouble to do, that our new MPP service desks have been very accessible and in most cases very complete, accurate and speedy in getting back to the respective offices.

I appreciate that over on that corner you are very reluctant to ever suggest anything may be working reasonably well, but I can assure you that it has and is working reasonably well.

As to whether there will be any increase in the level of the plan obviously remains to be seen. That is a policy decision of the Treasurer that will be addressed in some subsequent future budget. I frankly doubt if in the current environment and climate that there would be any change or any substantive change in the size of the grant, but once again, if you look back in the record at the statement I made the day we mailed out the cheques, I did give you a breakdown of the still very significant percent-

age of property taxes that were being paid by the recipients of the property tax grant cheques.

I don't recall the numbers off hand and I don't have them with me, but I think something in the area of 25 per cent of the recipients had all of their taxes paid by the property tax grant. If I remember correctly, up to 75 per cent of the recipients had an amount paid that was greater than half their tax bill, which I think you will agree in most jurisdictions is roughly the education portion of their total property tax liability. The commitment made by the government was to take off the obligation of the education portion of the tax bill to the degree possible.

We have done that to a great degree and in

most cases have gone much further for those at the lower end of the income scale who might be in accommodations that would attract a lower tax bill. That commitment has been made and will continue to be made in an effective and efficient method.

As for whether we can ever cover the cost of the Metropolitan Toronto School Board, I think members should speak to their colleagues on the Toronto school board so they could maybe get some of their costs resolved and then maybe the tax bills would not be quite as big.

The House recessed at 6 p.m.

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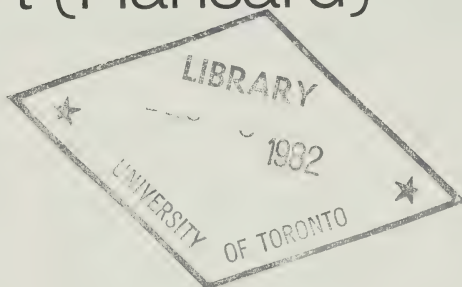
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No. 150

Legislature of Ontario Debates

Official Report (Hansard)



Second Session, Thirty-Second Parliament

Monday, November 22, 1982

Evening Sitting

Speaker: Honourable John M. Turner

Clerk: Roderick Lewis, QC

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LEGISLATURE OF ONTARIO

Monday, November 22, 1982

The House resumed at 8 p.m.

House in committee of supply.

ESTIMATES, MINISTRY OF REVENUE (concluded)

On vote 801, ministry administration program:

Mr. T. P. Reid: Mr. Chairman, I have just a couple of comments on this first vote.

I have been going through the public accounts and it is quite interesting to note, as all members will be interested to know, that almost 10 per cent of the people in the Ministry of Revenue are earning more than the \$30,000 which finds their names registered in volume 3, details of expenditures, in the public accounts.

If my tally is correct, that means almost 400 of the 4,027 people in the ministry are earning more than \$30,000. If one looks on page 4 of the public accounts, there are a number of others who are included in there.

I wonder, can the minister tell us how that percentage squares with those of other ministries in terms of there being about 10 per cent of those people in that category from \$30,000 on up?

There is another question I want to raise with the minister arising from the public accounts. I would like to know whether there is anything in these estimates about the matter of remissions.

In volume 1 of the financial statements of the public accounts for 1981-82, on page 3-19, the Ministry of Revenue wrote off, as of March 31, 1982, retail sales tax to the tune of \$38,721 for the Windigo Lake Transportation Corp., \$1,758 for Lucien Menard Trucking and Building Materials Ltd., and similar small amounts for succession duty on an estate and for provincial land tax, for a total of \$43,351.

Is there any provision I have missed in the estimates this year for these remissions? Perhaps the minister can explain the policy as to how his ministry arrives at granting these remissions.

Hon. Mr. Ashe: Mr. Chairman, I do not think we have specific details available in the context of verifying or denying that 10 per cent, or roughly 400, of the ministry's total staff—that is, field and head office—are at \$30,000 or over. We suspect that is probably about right.

I think the honourable member will actually find that while we are a technically oriented ministry in the sense of having a significant number of staff, particularly in head office, with great experience and educational background, the approximately 10 per cent in the category of \$30,000 and thereabouts is probably below average, in the total context, compared with most ministries. I will be honest. I cannot prove that to the member. I have nothing here to prove that to him, but it is our collective wisdom that this is so.

Mr. T. P. Reid: I will take that into consideration.

Hon. Mr. Ashe: We have at least the 100, 200, 210 here.

In terms of write-offs, we do not look upon these as expenditures; they would not show in the estimates as such, because they are write-offs under the Ministry of Revenue Act. When we eventually show revenue per se, in net revenues for the year, they are already excluded. Frankly, there is no absolute way of knowing.

I can tell the member that before any remission orders or write-offs are put through, it is only with the 99.999-and-up per cent thought that there is no way that particular liability is collectable. In other words, one finally comes to the point of recognizing that one cannot take blood from a stone because there are no assets or nobody one can attach who was responsible for that liability and we eventually write it off. But it is under the Ministry of Revenue Act and not under the particular tax piece of legislation.

Mr. Epp: Mr. Chairman, I want to raise a small point having to do with the senior citizens' tax grant. When that was initiated and the cheques were going out directly from the Ministry of Revenue, an additional number of civil servants were hired to deal with the increased work load. Now the ministry has the computer formula and so forth worked out, I wonder whether there has been a decrease in the number of civil servants working on that project.

In the same context, I want to ask the minister if he can explain something. My constituency office, to use it as an example, will work on a problem, which is resolved from the standpoint

that the ministry says, "We are going to send the cheque out," and the person receives the cheque. Then, maybe a week later, the ministry calls up the constituency office and says, "By the way, we are going to send out this cheque."

This has happened on a number of occasions; so it is not an isolated case. My secretary then calls the person and asks, "Haven't you received your cheque yet?" The person says, "Yes, we received it about a week ago." Then the ministry calls a week later to say the person is going to receive the cheque.

I wonder whether there is a great surplus of people who are trying to create work for themselves and are making these calls when the cheques have already been sent out. I wonder whether they could not be used in a more efficient manner or whether the ministry for some other reason is making these calls after the work has already been done.

8:10 p.m.

Hon. Mr. Ashe: Mr. Chairman, I do not think there is a pat answer to that one. I am sure what happens in some cases is that an inquiry is made, whether directly from a constituent, through a constituency office or by mail from the constituency office, and a particular person checks it out and finds it is already in the system.

I guess it is a matter of what the recipient on the other end of the line expects to hear. He probably already knows it is in the mail and may appear any day, but I would think that rather than say, "You will get it yesterday, today or tomorrow," they are saying, "It will be on its way, and you should have it shortly." I am sure that is where a lot of those come out.

In other instances, of course, they are following through to track down when a particular cheque will be issued, and in those circumstances they quite rightly say it will be processed in a week or in two weeks, as the case may be, and it goes out accordingly.

The last possibility I would suggest is that the person who is checking back with the constituency office—and I must say this is something we have been doing more regularly this year because, frankly, we have had a little more opportunity to follow up on them—may have just gotten busy and did not get back for a few days following when he thought he would. But in the meantime he had checked up what the problem was and had seen that it was being handled—again, whether it was because of the first item I discussed or the second—and that the main issue, I hope, is to solve the problem and get this

cheque to the constituent. But I do not think there is any pat answer on that question.

In answer to the honourable member's indication that the computer does everything now, I can assure him this is not quite so. We are using computer technology, but we still need people. We are using the capacity of call-back a lot more this year. First of all, the applications have to go out. Once the application is returned, it still has to be physically examined to make sure it is basically correct, and the majority can then be entered right into the system. That is our recall, which we had available this year but which we did not have right away last year. There was a lot more handling before we had a visual awareness of the presence of that particular applicant. So there are still a lot of people involved.

Do not forget that even though we have cut down the error rate on the applications over the past three years from 40 per cent to 23 per cent to about 11 per cent, we are still talking about an awful lot of paper. We also have a lot of basic, very simple errors that have to be finished off manually before the application can be entered. We did a lot more of that this year as well rather than putting it aside and into the group that needed further personal handling and follow-up. Where there were very basic errors in which the information could be researched or finalized or corrected very quickly, there was action on that much more rapidly this year.

This year we used a standard, computer-generated form letter. We had a basic number of paragraphs and a basic number of problems that could be generated from it. But even when we are down to the net of 11 per cent with errors, we are still talking about something on the order of 65,000 applications that require an awful lot of personal indulgence by people. The percentage is relatively small, but the numbers are still significant; so there is no lessening. This year, in finalizing last year's program and getting our program geared up and in better operation for this year, we did find that we used more man-years than we had previously.

On the other side of the coin—and I hope this is the way it will carry on in the future—when we came to this fall and the final delivery of the program for the 1982 grant, we actually used temporary staff to a much lesser degree. We did not need as many for as long this year as we had last year. Over the total year, what we projected in the estimates as our manpower needs came just about bang on. We were high at the beginning and low at the end, and it all added

up. The system is now in place; I think the results have proved that. We should be able to get along with a more regular level of staffing next year.

I do not want to mislead the member by suggesting it can be handled by permanent staff only, because that cannot be. In the key times of the year, we will still need more people when we are getting ready to process the applications, during the actual processing and the sending out of the cheques. We will go through the same process to a smaller degree, as members know, at the first of the year for those who turn 65 after August 1, 1982. That is a new group of people whom we will serve in January, as we have done in the past.

To give an idea of the relationship between the work load and staff increases in the division that handles the guaranteed income and tax grants over the past number of years, since fiscal year 1977-78, the staff and support staff of grant programs has risen from 161 to 230, an increase of some 43 per cent in actual staff. In that same period the number of property tax and income supplement clients—this is the same division, in terms of total, that handles the guaranteed annual income supplement program—served by the program has risen from 258,000 to 900,000, which is a growth of 350 per cent.

If we were not able to use technology to a great degree, there would be no way we could handle three and a half times the volume with a 43 per cent increase in staff. That is why it can be done and how it has been done. I do not see any great ability to significantly reduce those numbers even based on the current program we are delivering.

Mr. Nixon: Mr. Chairman, I want to raise a matter with the minister about the fuel colouring. In this instance, it has to do with his staff of inspectors.

The minister knows we have been in correspondence about one complaint involving his inspection staff. He was good enough to send me a copy of a letter he had written to my constituent about this, which I appreciate, but in an instance such as this where a new program is being inspected, in fact policed, by a group of newly retained inspectors, I feel it is extremely important that they be carefully informed as to the way they should treat the business people with whom they deal in applying the new statute and its regulations.

There is absolutely no reason in the world for them to act in a peremptory way with a taxpaying citizen who is a bona fide member of the

business community. There may be all sorts of provocation and the inspector may feel that certain regulations are not being lived up to, but it should always be the primary responsibility of the inspector to show every concern for the responsibilities of the businessman and his own work in his own time.

Frankly, I had the feeling that the minister, very properly, is supporting his new inspection staff. I do not object to that too much. But he has a responsibility also to think of the position of those thousands of business people across the province who are hard-pressed and who are not very delighted to have another set of inspectors calling on them. They do not like it at all; particularly when the possibility of an infraction is some footling nonsense that the purple dye is not properly locked up in a back room as page 97(b) in the regulations may require.

There is a feeling that maybe the inspectors are starting off on the wrong foot. Who would want to steal the blooming dye, anyway? Who would want to dump it into any fuel where it should not be by law? It is not as if value is increased by putting the dye into the fuel.

8:20 p.m.

I am not here to comment on the detail of the regulations, but I can tell the minister that I do not want to hear any more complaints about the inspection staff, particularly from fuel oil dealers and others who have been in business for many long years and have been paying their taxes in support of this government and government at other levels.

I want to end my remarks by saying I appreciate that the minister has written to the person who had complained. I cannot tell him that I am thoroughly satisfied with the situation, because I feel the inspectors may be under the impression, particularly if they are newly employed, that they should be acting the way the police used to act back 20 years ago instead of the way the police are acting now. They should be at least as polite as Ontario Provincial Police officers. If we could ask them to respond to the public that way, we would be satisfied.

There is only one person responsible for this and it is the minister, because the complaints are going to come to him and be laid on his doorstep. I certainly hope and trust we will not hear of any more complaints.

Hon. Mr. Ashe: Mr. Chairman, I think it is appropriate that I briefly respond to the honourable member's query. I cannot disagree with him as to what should be the normal, general

conduct of all government people, regardless of the government or regardless of the ministry.

On the other side of the coin, I am sure the member has been around here long enough to recognize that there always are two sides to every story. If I remember the background of how the particular inspection team appeared, it was in reaction to a complaint that somebody had put in. So they were, in effect, doing their job.

Mr. Nixon: That is the first I have heard of that.

Hon. Mr. Ashe: I could be wrong on that. I may be confusing it with another case. But they were doing their job, and it would appear they did it correctly, albeit without the owner being there. No doubt, there was some misunderstanding.

I might say, in terms of the security of the dye, our main concerns have nothing to do with its value per se to somebody else, because I cannot think of any other either. It is relatively costly but, more important, it could be relatively dangerous in its concentrated form. The security is more for safety than for any other reason. One of the questions brought up this afternoon was exactly on the lines of safety. We were being chastised for not giving enough direction to the security of supply and the security in the safety context.

Mr. Elston: We were talking about giving instructions as to the handling of it. I was not talking about this kind of problem, which is somewhat different.

Hon. Mr. Ashe: Handling and security all came together in the same general set of instructions, as I understood it, from us. The safety aspect came from Morton Chemical before the dye was delivered.

Needless to say, I do not like any complaints that come to me and involve staff, but I can assure the members that they are always looked at and researched to the best of our ability. We try to come back to the concerned member and/or the concerned client with as complete and as honest a response as we feel is appropriate.

I can assure the members that we do not bend over backwards to try to protect the staff or suggest they are always right, but I think we all have been around long enough to know that there are two sides to every story.

I want to close with one last point. The majority, although not all, of our fuel tax inspectors are not really new, young, invigorating fellows who are just getting their first little

bit of authority. In many cases, they are experienced people who have come from jobs where they have been dealing with the public. As a matter of fact, we even have a couple of former OPP officers.

Mr. Nixon: And a former member of the Royal Canadian Mounted Police, I gather.

Hon. Mr. Ashe: That could be. We also have some people who were on the inspection teams of the Ministry of Transportation and Communications.

Mr. Nixon: It is the fact that they are former that concerns me.

Hon. Mr. Ashe: They are former in the context, as I understand it, of not wanting to move geographically to the extent that their new jobs were going to take them. I can assure the member, we had above and beyond the usual type or quality of person applying for those positions.

At least 80 per cent of the members in here made known to me five or 10 or 15 or 20 people they thought would be excellent applicants for the jobs. The number of applications was exceedingly high. The qualifications we were able to call upon in acquiring the staff were well above what was anticipated, undoubtedly some indication of the economic climate.

I am not concerned about the overall quality of the staff performing the function. Under most situations they will do a professional job that we will both be proud of.

Mr. Nixon: I appreciate the minister's answer. I can support it entirely, other than to say finally in that connection that he is almost personally responsible for the attitudes of those inspectors. If the minister does not convey to them that he is deeply and personally concerned with the way they are seen by the public whom they serve directly, then they are not going to be very concerned. Knowing the minister as I do, I am sure he will see that is done. We will certainly bring it to his attention if there is any concern.

With the permission of the chairman, I have another small point that I would like to raise having to do with the computer capability of the ministry, which is enormous. The minister must be aware that in many jurisdictions there is a growing concern about people knowledgeable in the functioning of computers, programming them in such a way that there is a leakage of funds that can be very readily covered up.

Would the minister explain to the House, not just how he sees that the computer is doing its job and that the cheques go out, particularly in

the senior citizens' tax rebate situation, which I think probably is better this year than it was last year, but just to what extent we are safeguarding the integrity of the computer programs?

The minister must be aware that in many jurisdictions in North America it has become apparent that capable people can invade the computer programs, even from outside. Not being employees at all, they can invade them from outside, program them to send out cheques which are not warranted and even cover their tracks with the removal of the special amendments to the programs. Evidently this is quite readily done. Even the most elaborate series of coded protections is not seen to be sufficient in cases that have come to public attention.

While I am on my feet and talking about that, the minister must also be aware of a number of citizens who have been quite substantially overpaid in the program. Most of them, senior citizens, being good, honest, taxpaying citizens, are concerned with what to do with the extra money. Presumably most of them put the cheque in an envelope and send it back to the government or wait until the computer, checking and rechecking its function, finds there has been an overpayment and there will be some move to recoup.

It has come to my personal attention that in my constituency some individuals have received the advance payment and then an additional complete payment of \$500, even though their taxes payable were not at the level where the \$500 would have been warranted. To what extent is the minister experiencing that sort of problem with the payout program, and what sort of advice should we give these people? Should they wait for the computer to send out some retraction notice, should they send the cheques in, or should they just presume the Conservative government is even more anxious than usual to keep the promise?

Hon. Mr. Ashe: The honourable member knows we always keep the promise so there is no doubt or debate on that one at all.

In so far as the number of times an overpayment can be made—and yes it can happen—it is quite infrequent. There are reasons as to how and why it happens. In many cases it is because a husband and wife become unlinked or they were not linked in the first place so they get separate cheques in some cases, when in fact they were due only one. In other instances, there may have been, for some reason or other, a change in reference number so that their advance cheque was sent out under one number

and their application was returned under another number. In our system, this looks as if they were never paid and they, therefore, get \$500.

8:30 p.m.

We do become aware of this and eventually we contact them to ask for the money back. Failing that, we deduct it from next year's payment before they get any money. What really should happen, and we recommend the member suggests it should happen, is that in a case of overpayment, to use the example that is closest to the one he used where they got \$750 instead of \$500, I would suggest they send back, not the \$500 cheque, but a cheque for \$250, payable to the Treasurer of Ontario, with a covering letter or the reference number identifying what it relates to, and then it will be credited back to the account. That is simpler and faster than sending the \$500 cheque back and us going through the process of sending them back \$250. I do not see why they should have to wait for the \$250. That is normally what I recommend. This does not happen frequently; it happens very infrequently.

As far as the computers are concerned, there is always a concern in this day and age about illegal access to material within a computer system. While I cannot say our system is foolproof, because what is foolproof today is not foolproof tomorrow, I can assure the member that we do have within our internal audit system an internal auditor who is highly recognized within the industry and has the capability to have in place and to supervise, oversee and operate the most advanced data security system available.

Again, I have to acknowledge that does not mean it is foolproof, but it is as foolproof as is available. We continue to maintain our surveillance on the industry to make sure we are as up to date as the state of the art will allow us to be in terms of program security now and in the future. I cannot say our system has never been touched. It has not been touched as far as we are aware. We have put in place every known protection to make sure there is no misuse, misdirection or misappropriation of taxpayers' funds.

Vote 801 agreed to.

On vote 802, tax revenue program:

Ms. Bryden: Mr. Chairman, on vote 801, I did start to raise a matter with the minister regarding the auditors who operate under the retail sales tax, and I would like to deal with that item now as it was decided that it belonged in vote 802.

I was citing to the minister a particular case of Mr. Thomas Minakis, who operates a jewellery business in my constituency. The reason I wanted to cite this particular case is because it indicates a pattern of activity that the retail sales tax auditors seem to be carrying out, and I think there is a need for some changes in the activities of that particular operation.

I wrote to the minister in detail about Mr. Minakis's problems and he replied after a couple of months, but there are still a number of important issues that came out of this case that we should have the minister comment on as to whether he thinks the practices of the auditors are the ones that should be followed.

My particular concern is that the auditors appear to be spending a great deal of time harassing small businessmen. I would like to hear more about what is being done by the auditors and the special investigation people to go after the big tax evaders, of which I am sure there are some in this province. I think it is an area the ministry should be looking at very carefully, particularly in these times of revenue shortage and revenue shortfalls.

With regard to Mr. Minakis, there are about four or five happenings which should be questioned. The first is that there were something like 11 or 12 visits over an 18-month period to this small retailer. After the seventh visit, the retailer asked if the auditor had found anything and he said he had found nothing unusual. That is what Mr. Minakis quotes him as saying.

After another four or five visits, Mr. Minakis was suddenly presented with an assessment for \$6,565. The assessment appeared to be based on a difference of opinion as to what could be identified as a repair and what could be identified as a sale. According to Mr. Minakis, there was no discussion during the 11 or 12 visits as to the methods by which he was identifying the different sales.

Apparently the auditor looked at a number of repair invoices, took the names of the customers and decided to phone those customers and ask them if it had been a repair or a sale. According to Mr. Minakis, the customers were under the impression that the person phoning them was Mr. Minakis's own accountant, not the retail sales tax auditor. He even has a letter from one customer who indicates very clearly that he certainly thought it was his accountant and not the auditor.

The ministry in its reply to my letter says that would certainly not be their practice and that the auditor would identify himself as a ministry

employee when questioning the customers. But the ministry does admit that since Mr. Minakis's name was mentioned and it seemed to be a question of clarifying figures, which is the way one customer says the call was made, the customers quite conceivably might believe the phone call was from Mr. Minakis's accountant.

If this can happen, I think there should be a somewhat different way of obtaining the evidence. Perhaps a personal call to two or three customers with an identification card shown by the auditors might be one way. Certainly a phone call that can be misconstrued as an inquiry from the jeweller's accountant is not a very satisfactory way of obtaining evidence and can lead to the feeling that it may be an attempt to get evidence under false pretences. That is another complaint that should be looked into.

The auditor's methods also seem to be rather questionable. In the first place, he measured the store. I do not quite know what that has to do with a sales tax assessment. Perhaps the minister can enlighten us. He objected to being followed around and watched by the the retailer, yet he was handling very valuable goods. On one occasion, some of the goods fell out of the drawer in which they were kept on to the floor, so there seemed to be some point in the retailer following him around, but he seemed to object to this procedure.

8:40 p.m.

When the assessment was received, it was simply a bald statement that \$6,565 was owed for uncollected sales tax. There was no supporting statement, no schedule, no indication of how that figure was arrived at, how many sales, how much tax on each sale and so on. When this was drawn to the attention of the ministry, a statement was subsequently supplied. The ministry states in its letter that it is its practice to include schedules with all assessments. In this case the schedule was not included and I do not see how the retailer could be expected to exercise his right of appeal if he or his accountant had no information.

According to the ministry, the auditor had explained to the retailer that he was going to make an assessment and gave the reason as being the difference between sales and repairs, but he had not shown the figures to him or his accountant and they were left with the right of appeal but no facts on which to base it.

Another point which came up in connection with the assessment was that the assessment had been reduced by an allowance for vendor's compensation. Mr. Minakis has been in busi-

ness since 1972 and has never collected compensation. The ministry may say he should have known that compensation was available over those 10 years and that it is mentioned in bulletins and so on, but we must remember that he is a very busy, small retailer and he is a newcomer to this country. He has not had the same experience in the retail business as people who have been here for 30 years.

The ministry or its auditors, in their visits from time to time, should have informed him that he was not collecting compensation to which he was entitled. It seems to me that government should not just say, "You get only what you know about," and never draw it to their attention that they are missing out on certain compensation that is available to vendors.

Another point that Mr. Minakis raised was that during part of this period of 18 months he had the feeling he was under surveillance by two persons who sat in a car across the street from his store for long periods. He wondered if this stakeout was part of a suspicion that he was dealing in international currencies, gold or something of that sort. They never spoke to him, but he would like to know if this is the kind of investigation the special investigators carry on.

Finally, when it came to the question of whether he would have to pay this assessment and whether he would pay it immediately, I gather that the ministry, or the auditor, told him that it could be paid in instalments if he had security. That led him to believe the security might be his own home and he immediately started to worry that his home would be seized if he was not able to pay that amount immediately.

It may be that it was a completely false fear, but again a person in his position, as a newcomer to the country, certainly does not want to feel that his home is in danger or can be seized as part of the security for a business. It should be made very clear to him what kind of instalment payments would be possible if he has to pay the amount. His assessment is now under appeal so we do not know what the final outcome will be.

The ministry should work with small businessmen rather than against them. It should visit them at the beginning, as it says it does, and then visit them, maybe not every year but once or twice every couple of years, if they do not appear to be keeping their books in the way that makes the collection of tax easy.

I think the ministry really spent far more time harassing this man than in assisting him in becoming aware of the law and conforming with

it. I understand that he intends fully to fulfil his obligations under the law but felt that he really had not been informed that he was doing anything wrong or how he should be doing it.

It makes me wonder what is going to happen next year because of the extension of the sales tax to all sorts of new vendors, particularly those who sell snacks and a lot of the items which are now covered by the tax. It makes me wonder what sort of problems will arise with the attempt to collect tax from people who have never had to collect it before. Can they expect the same kind of harassment, or can we expect the ministry to inform them step by step of what their obligations are? I think that is one of the essentials of this extension of the sales tax.

I must report, and perhaps the minister can pass this on to the Treasurer, that in my latest constituency report I asked the question, "Do you approve of the extension of the sales tax to the various items to which it was extended in the last budget, and if not, what items do you think it should not apply to?" The replies indicated that they thought most of the extensions to food products should be abolished, particularly food under \$5. The extension to feminine hygiene products was mentioned very frequently. The extension to cleaning materials was also frequently referred to.

From this experience with the auditing, I think the minister has the problem of the new people who are being covered by these extensions of the sales tax.

I would like, as one final question, to ask him how he is auditing the collection of sales tax by various nonprofit organizations that hold banquets of different kinds and have never before had to pay tax on the food they sell on these occasional banquets and dances. I would think there is a whole new area there for ministry mistakes and harassment. The record so far has not been too encouraging, and I wonder if those people will be instructed and assisted rather than harassed.

Those are my concerns about the present administration of the sales tax.

The Acting Chairman (Mr. Robinson): With one hour and 33 minutes, on vote 802, the minister.

Hon. Mr. Ashe: Thank you, Mr. Chairman. I will count to 10 in reverse—10, nine, eight, and so on. I find it exceedingly difficult when a member makes all kinds of challenges, charges and innuendos on a generalization of harassment, etc., and then comes up with one exam-

ple. I would bet she cannot even name a second one; one bloody example is all.

Mr. R. F. Johnston: Watch your language. Did you hear that, Mr. Chairman?

8:50 p.m.

Interjections.

Mr. Cassidy: You would not get away with that in Scarborough.

Hon. Mr. Ashe: Scarborough?

Interjections.

The Acting Chairman: Order.

Hon. Mr. Ashe: It happens to be under appeal, so I am reluctant to go into any details of it. There is the file right there.

Just to fill you in a little bit about dates, you wrote to me in August. I corresponded with you in September and corresponded back to you with the full details of the investigation and so on in October, so it did not go a couple of months before it was acknowledged. In fact, it was a month and then a subsequent month with the full report on the investigation, which I think is fair and reasonable under the circumstances. If we had responded in a couple of days, you would have said: "That is an off-the-cuff response. Why did we not take the time and trouble to investigate the issue properly?"

Mr. Cassidy: Nobody said anything about being off the cuff.

Hon. Mr. Ashe: Nobody asked for your comments, either.

Again, I am extremely reluctant to go into the depth of this file to point out some of the half-truths that have been brought out by the honourable member.

Interjection.

Hon. Mr. Ashe: Half-truths. I did not say they were completely wrong, only half wrong and only half right.

I can assure you that the facts do not substantiate many of the issues raised at all. In fact, many of the issues and concerns raised were addressed in my letter to the member dated October 15, 1982. I might say that as late as last week the member's constituent was in. We are still trying, and have been trying for some time, to get additional information from Mr. Minakis. I understand that at some points in the whole process there could have been some problems with fluency in English. That is fine. I have no problem with that at all, except that we have also been dealing with Mr. Minakis's accountant. To suggest, for example, that the account-

ant did not know that there was compensation under the Retail Sales Tax Act I find extremely difficult. I would even put a suggestion as to the competence of somebody like that, but I will not.

Mr. Cassidy: You just did.

Hon. Mr. Ashe: You can draw whatever conclusion you want, but that is fact.

We have been dealing with both the client, your constituent, and your constituent's accountant on this issue, and many of the points you have raised, as I say, are not substantiated by the facts. The long and the short of it is that we have extended the appeal period on a couple of occasions to get further information, as I am sure you are aware. As of last week we were still attempting to get all the information because, believe it or not, in the appeal process and even under the initial assessment the auditors both in the field and in the appeal process literally bend over backwards to give the benefit of the doubt to the taxpayer. And that, frankly, is the way it should be. I do not disagree with that at all. I think that is the way it should be and the way it has to be. I had better close with that on the basis that the case is still under appeal and no decision has been rendered. When we get the rest of the details that have been requested, then a determination on the appeal will be dealt with.

With respect to the other issue of nonprofit organizations and so on that we can now start to harass, I am glad to hear that, because it just goes to show what some people think auditors are going to be doing. I can assure the member that we do not have enough audit staff or investigation staff for them to be out misusing their time. They are limited in numbers; they are limited in the number of hours of the day that are available to them. On that kind of issue I would suggest that they would be reacting principally on the basis of complaint.

I have indicated through previous answers in the Legislature as well as in bulletins that have been made available to the members that in the situation she referred to, that is to say the nonprofit organization that has periodical fundraising activities, if they meet the spirit of the regulations they do not have to collect tax on any event as long as they are from time to time, are not in competition with the private sector on a regular basis and do not exceed \$75,000 in sales each year.

Mr. Epp: Mr. Chairman, on a point of order which may be of interest to everyone: I wonder if there is some kind of arrangement with

respect to getting to the different votes. We have taken a lot of time on vote 801. A number of us would like to get to vote 804. I am not going to take up a lot of time with deliberations, but is there any understanding between the various parties? Can we get to vote 804 fairly shortly?

The Acting Chairman: There is no arrangement I am aware of except the provisions of the standing order which permit any member to speak on any vote and item once. When we have exhausted that list each time around, we shall move on. On vote 802, we now have the member for Riverdale.

[Applause]

Mr. Renwick: I only wish my colleagues would save the applause for some more appropriate occasion. I have an interest similar to that of the member for Waterloo North (Mr. Epp) so I do not intend to delay very long on this aspect of it, but it is a matter of concern to me.

My question really relates to the power the minister has to make recommendations or not make recommendations to the Lieutenant Governor in Council with respect to the remission of any tax or other penalty.

I do not want to take a lot of time about it and I do not want to speak about any particular case at all. I want to try to generalize my remarks on it.

If it is not appropriate for the minister to do this, do not hesitate to tell me so, but please do not tell me I am a lawyer and he is not a lawyer. I do not need that tonight; I get it in my caucus all the time. What are the principles upon which he from time to time recommends a remission of tax to his colleagues in the cabinet for consideration? Is that too broad a question or should I focus exactly what my concern is?

Hon. Mr. Ashe: I would prefer if the member would be more specific. There is some latitude in some of the statutes. In most cases, it is under the Ministry of Revenue Act. If he could be more specific, I could attempt to be.

Mr. Renwick: I am speaking specifically of his power to recommend it under the Ministry of Revenue Act and the principles on which he might recommend it. I have in mind a concern as to whether the processes within his ministry have kept abreast of what the law now is, as I understand it, with respect to the classification of circumstances. They are not directly applicable but let it be well understood that, if the failure to pay the tax in a given situation is such that he believes a criminal charge can be laid, then naturally that is not the kind of case I am

talking about at all. I am not talking about that kind of case.

The case I am going to refer to is the Queen versus the Corporation of the City of Sault Ste. Marie. The Supreme Court of Canada developed a third classification of case. Whereas our law had been if it was not a criminal offence and it was simply what the courts call a public welfare case—not in the sense of community and social services; I would like to call it a public interest case—where there was a public interest involved in these matters, if it was not a criminal matter all that had to be proved was the actual event and there was absolute liability. There was no answer that the defendant could give to the particular charge.

The minister is probably aware that the Supreme Court of Canada adopted and brought into Canadian law, after a certain gestation period in some of the lower courts, the proposition that there were three classifications: criminal cases, strict liability cases and absolute liability cases.

9 p.m.

Therefore, regarding the mere failure to pay the tax, if in the assessment processes of your ministry that amounted to a penalty, then it seemed to me, sir, that in determining whether you should recommend or not recommend that you should take into account the middle category, that is the strict liability cases rather than the absolute liability cases, if the defendant had an honest and reasonable belief in a state of facts, which, if they existed, would make the defendant's acts innocent, affords an excuse for doing what would otherwise be an offence.

Now that sounds a little bit like legal gobbledegook but the situation I am talking about is the situation where—let me spin an example out of the air. Say that a retailer, thinking that a person who was a vendor to him of, say cigarettes for example, thought that the vendor held a licence and was therefore the agent of Her Majesty for the purpose of collecting the tax, bought the cigarettes, then paid to that person the tax which was payable, but the person turned out not to be a licensed vendor. Then say the minister came against the person and assessed him for the tax directly and he said, "I did not know the fellow did not have a licence and I had an honest and reasonable belief in my mind that I was dealing with a person who was a vendor."

You come against that person for a substantial amount of tax which you claim, but he has already paid the unlicensed vendor the tax. For

whatever reason, the unlicensed vendor disappears without paying the tax or you, sir, decide not to go against that person and you come against the retailer for the amount of the tax and you levy the tax, say, for example, in the realm of \$20,000. You are satisfied, or the defendant convinces you that he had a reasonable and honest belief that the person he was dealing with was a licensed vendor, then are you not imposing a penalty when you, for example, instead of making a recommendation to remit the tax, say to the person, "Well, pay us \$100 a month" as a method of reaching a settlement. Then you realize that \$20,000 plus interest means that for 20 years the retailer will be paying and paying and paying over the 20 years before—if my mathematics are right and they probably are not—paying off the ministry.

I would think that one could say in a funny kind of a way that you are punishing a person because he has already paid the tax unwittingly—under a mistaken notion as to what the facts are—but on an honest and reasonable belief that the facts were such and such. You are holding him to ransom for 20 years on a \$100 a month payment in many cases where a particular retailer, for example, may be only marginally able to keep himself afloat in business.

It seems to me, sir, that it may well be that by analogy in the recommendations which are made to you as minister as to whether you should recommend a remission, you are not giving full flow to the circumstances which are now part of the law in the courts in other matters with respect to the classification of cases; and that the middle ground, that is, a provincial statute where a penalty is imposed and where the courts now say it is a strict liability situation—that is, that it is possible for a defendant to stand up and say, "I had a reasonable and honest belief in a state of facts which, had they existed, would have exonerated me from fault"—it seems to me that you, sir, in the exercise of your discretion should be taking into account those principles in determining the basis on which you would make a remission.

I do not know whether I have expressed it very clearly but at least it is there for the sake of the record and in case it is a matter that we might continue a discussion on in some less august situation than in this court.

Mr. R. F. Johnston: Name one; name one.

Mr. Breaugh: Name something that is less august at this point.

Mr. Renwick: Let me put it the way the Supreme Court of Canada was dealing with it.

"The distinction between the true criminal offence and the public welfare offence"—which I am going to call a public interest offence—"is one of prime importance. Where the offence is criminal, the crown must establish a mental element, namely that the accused who committed the prohibited act did so intentionally or recklessly with knowledge of the facts constituting the offence, or with wilful blindness towards them." That is one situation. That would be a criminal offence and I am not talking about a remission in that sense.

In sharp contrast the court goes on: "Absolute liability entails conviction on proof merely that the defendant committed the prohibited act constituting the basic act of the offence. There is no relevant mental element. It is no defence that the accused was entirely without fault. He may be morally innocent in every sense yet be branded as a malefactor and punished as such."

When those were the only two classifications of cases, I can well understand that the minister would be reluctant when the public revenues are in question and his duty and responsibility are to collect the moneys owing to the crown. I can well understand when there were only the two classifications, where it was not a matter for the criminal courts he would stick to the absolute liabilities standard in the case and very seldom would he recommend to his cabinet colleagues that there should be a remission of the tax. But where the court has recognized this middle ground of strict liability cases as distinct from either criminal or absolute liability cases—let me, if I may, transpose a few words in the quotation from a case.

"It is one thing to deny that a necessary ingredient of the offence is positive knowledge of the fact that the vendor holds no subsisting licence. It is another to say that an honest belief founded on reasonable grounds that the vendor is licensed cannot exculpate a person who purchases from him. As a general rule an honest and reasonable belief in a state of facts, which if they existed would make the defendants"—that is the taxpayers—"act innocent, affords an excuse for doing what would otherwise be an offence."

I do not want to pursue it at great length; it gets legal and complicated. The classifications are now there in the courts in relation to environmental offences, occupational health offences, all sorts of other offences. But in the

strange world of tax assessment, when you assess a retailer in the kinds of circumstances which I put before you hypothetically, where the retailer has already paid an amount of money to the person who was the vendor but who he thought was licensed, and you then assess the tax against him and say to him, "Oh, yes, we recognize the circumstances of the case and we will only collect \$100 a month," and in the case of the tobacco tax, it is a \$20,000 tax item which you are assessing him for, then it seems to me to be a rather unusual punishment you are imposing on him to say: "For the next 20 or 25 years you pay us," depending on how the minister calculates the interest; "You pay us \$100 a month and your fine." This is the local corner store operation or a very small operation.

9:10 p.m.

I was just curious as to whether or not the minister is giving any consideration to implementing the power which he has to recommend that the cabinet give consideration to taking into account that a retailer may have acted on a reasonable and honest belief in the state of facts which, if they had existed, would have eliminated his problem.

I hope I have put that clearly but I am not certain that I have.

Hon. Mr. Ashe: I might say, Mr. Chairman, it is completely clear because I am very specifically aware of the specific case that the member is talking about, even though it was a general case out of the air.

Mr. Renwick: I was generalizing on a situation which strikes me as being important.

Hon. Mr. Ashe: I appreciate that. Let me assure the member that under that particular situation, and, I might add, not only with his constituent but in a reasonable number of like situations, in the view of our legal branch we are already taking the newly expanded version as put down by the Supreme Court. We have given the situation the benefit of the strict liability. We have kind of bought the argument, if you will, that there is some kind of an extenuating excuse that negates the absolute liability, or the criminal liability. We have already given them that.

Frankly, that is the reason we did not prosecute under the Tobacco Tax Act but, under the Tobacco Tax Act it says we must assess. That is what we have done.

I know we can argue the numbers and problems of the corner store, but I am not going to challenge or debate that one because we both

know the problems that exist in that particular situation and others. I think the member would agree that there is some obligation on the part of retailers who are in business to know the people they do business with.

Frankly, I think there is an onus upon them to know that if somebody comes along with a bit of a deal, some suspicions should be aroused. If one can buy something cheaper here than through another supplier, at least a bit of suspicion should be aroused. There is no doubt that part of the tax was paid, if you will, to an incorrect source. On the other hand, part of it was not paid in the context of the better price that was obtained.

I think we did recognize those circumstances, again in this case, and in a couple of others like it, and who got caught partially innocently—if there is such a thing as being partially innocent. The phrase is probably a conflict in itself. That is only partially guilty too.

Recognizing the economic realities of the situation, we did allow them to make more than reasonable payment arrangements that we would not normally do in other more difficult situations, or where there seemed to be no reason for us to be so lenient. It is an area in which, frankly, we have been involved and are working on very diligently within the audit and special investigations branch. This was how some of these problems turned up. It is unfortunate that some retailers, some of which the member was citing, got caught in the sense of being caught in the net rather than caught in the context of their guilt, partial guilt and/or partial innocence.

Again, I want to reassure the member that we have given them, in the view of our legal division in any event—I will claim and pass on to him that I am not a lawyer—the advantage of the strict liability interpretation of the Supreme Court.

Mr. Renwick: I have a very brief comment in response. It is interesting how the statute is drawn because, again without purporting to have studied the matter at any great length, the fact that it is the minister recommending to the cabinet removes the decision from the purview of the Statutory Powers Procedure Act.

For example, if the Ministry of Revenue Act simply said the Minister of Revenue could determine whether to remit the tax, then if my understanding is correct he would have had to hold a hearing. In the absence of a fair hearing with the taxpayer on the matter, the taxpayer could go to court to make certain the minimum rules of natural justice had been adhered to. In

the situation we are in, because it is the minister recommending to cabinet and it is a cabinet decision, that excludes that opportunity.

Therefore, in the broad range of cases the minister could have, there is a situation where a taxpayer against whom the minister cannot and does not lay any criminal charges, and whom he claims to assess, is placed in the kind of situation which every now and then the Attorney General teases this House with, that he wishes we had the Scottish verdict of "not proven." Of course, that is not part of our law.

Where a retailer has paid out a significant amount of money to a person whom he thought was the holder of a licence and the person turns out not to be the holder of a licence, and the minister turns on the retailer to collect that money from him, I think the minister in a funny way is assessing a heavy financial penalty.

It turns out in cases such as I was illustrating, and other people could come up with other situations, that it is double the amount for practical purposes. The minister is saying to him: "We are going to keep a string on you, boy, for quite a long time. You pay us \$100 a month for 20-odd years, and that is a bond for your good faith that you will not do this heinous deed again." The minister is saying it to a retailer who may very well be in the position that he had an honest and reasonable belief the person from whom he was buying the cigarettes in the first place was a licensed vendor and not an unlicensed vendor.

I was trying to generalize away from the specific case, although I naturally had the specific case in my mind. It led me to this belief: Whatever principles the minister decides, or his ministry comes to him and decides or places in a case before him, to determine whether he will recommend to the cabinet a remission in whole or in part of a tax that has been levied, or any other penalty, it seems to me in my humble judgement that the minister would be well advised to pay close attention to the classification set out in the case of the Queen versus the city of Sault Ste. Marie in the Supreme Court of Canada in 1978.

Mr. G. I. Miller: Mr. Chairman, I would like to get clarification from the minister on the tax that is being applied to church organizations and nonprofit organizations for fund-raising affairs within their municipalities.

I received a letter from the Kohler United Church women's group which has written to the minister. I have had considerable correspondence with them. They wanted clarification of

the bulletin put out by the ministry which indicated \$75,000 could be raised by fund-raising events within the church organization without having to contribute tax. But it went on to say that if meals were provided for various things and the food was prepared by the women of the church to raise funds for the church, all this being donated, the tax would apply.

Again, the minister was good enough to clarify this matter after we had written to him a couple of times.

9:20 p.m.

We have another case, the Christmas Panorama, which is held in Simcoe and which attracts a lot of people. The local restaurants and other public places cannot handle the numbers of people. Consequently, the churches put on dinners for the visitors and, again, the food is prepared by the people of the church.

Mr. Wildman: They are competing with the private sector.

Mr. G. I. Miller: They may be competing with the private sector but, as I pointed out in the beginning, \$75,000 can be raised according to the bulletin that was applied. I do not know how else any church organization can raise \$75,000 without putting on dinners for that sort of function. Besides that, most of these small congregations have difficulty getting people to take on the various responsibilities, such as the treasurer, who now has the additional burden of keeping track of sales, figuring out the sales tax and mailing it to the tax office on time, which all takes extra time.

The people from the Kohler United church, in particular, have made it very clear in a letter, of which I believe the minister has received a copy, that in these financial times it is difficult to keep the congregation working on behalf of the community and for the good of all the people of Ontario.

I really believe the government is making tax collectors out of the churches. If the minister would take another look, maybe that \$75,000 could be used as a foundation without taxes having to be collected on behalf of the province.

Hon. Mr. Ashe: Mr. Chairman, there is no doubt that this is a difficult area. Yet to try to keep it fair and reasonable and have a fair marketplace out there, we have to recognize that the availability for nonprofit and charitable organizations to raise funds was expanded from the criteria included in previous regulations. There still is every opportunity.

It is not a matter of their raising \$75,000 in

terms of profit. It is a matter of gross sales in a calendar year not exceeding \$75,000. This obviously gives lots of leeway for most smaller organizations. It is particularly generous for that very reason. It would be only the larger operations, if you will, that would generate that kind of volume in a given year. There is no doubt that nonprofit organizations can have intermittent events to raise funds for their own purposes without having to collect tax.

On the other side of the coin, if they are competing with the private sector in the same situation or on the same site, or in the same activity, as the member has identified, I think it is only fair to the person on the corner who, as the member himself indicated, is operating a restaurant or whatever, to put them both on an even footing.

The one thing that always seems to be forgotten, and I realize the member made reference to both in his remarks, is the fact that it is not the church or the organization that is paying the tax; it is the consumer who is paying the tax. If there is any extra liability on the part of the operator—

Mr. Breagh: You're using churches to collect taxes. It's disgusting.

Hon. Mr. Ashe: Yes, they are collecting it. But even there we have made it much simpler in that they can be charging a tax-included price. If they have a meal for \$3, they can have a meal for \$3.25, including tax, and remit to us seven one hundred and sevenths of the proceeds by one simple calculation on the total receipts. Added to that, we pay them four per cent of that for their trouble, which possibly adds another few dollars of revenue.

The point I am trying to make is that, even in those situations where there is competition or where they are catering regularly to banquets, weddings, service club lunches, etc., and they are responsible for charging tax, they do not pay it themselves. That same organization or group buying their services would pay it anywhere else; if it went to the corner restaurant or the corner catering hall or whatever, it would pay it there. There is no additional obligation on anybody.

We say to the organization: "We appreciate that you have a little more hassle than you did before. You have a form to fill in. You can add up your sales, multiply by seven and divide by 107. That is all you have to send us, one calculation, but because you have to do that, keep four per cent for yourself up to a maximum of \$1,000 a year."

I do not think it works out to being a great hassle or imposition. We try to keep it fair and reasonable, and at the same time we recognize that it is going to take a little adjustment on the part of some organizations.

I think the greatest problem is the feeling within some church groups that it is not their function to be a tax collector. In the context of the church proper, I think that has been recognized in the past. That is why churches per se do not have liability and pay property taxes on the church portion of their operation. If they could separate in their own minds the same situation relating to activities run by church groups, it might become a little clearer that it really is not the burden it is purported to be.

Mr. G. I. Miller: I agree there is some fairness in it, but the minister is talking about \$75,000. The church I belong to makes \$5,000 or \$10,000 maximum in a year. Many churches only make \$1,000 and they still have to go through the procedure of filling out the forms. As the minister indicated, they get four per cent back, up to \$1,000. I think this government is just putting more responsibility on little organizations that really do not need it. They have enough headaches and red tape to contend with now, and it is just more red tape this government has put upon them.

Mr. Stokes: Mr. Chairman, I want to talk to the minister for a moment about something we have had considerable dialogue on over the years. That is the exemption from retail sales tax for Indian people for things bought on the reserve or for native people who can show a document indicating to the retailer that they are status Indians and that the goods are purchased for use on the reserve.

The minister put out a bulletin a couple of years ago that was less than lucid. In fact, it was unclear. I think he has improved it somewhat. I only had to talk to one of his officials to ask for an explanation of what the present one means. But there are a lot of retailers who are still having a great deal of difficulty with the intent. Many of my constituents who happen to live on reserves are still not clear what the full intent is and when the exemption applies.

I wonder whether the minister would consider revising that bulletin so that not only the retailers, but also the people to whom it applies, will have a clear understanding of that retail sales tax exemption, as to when, how and under what circumstances it does apply.

9:30 p.m.

There is one other thing I want to talk to the minister about. I have had considerable correspondence with his federal counterpart about this.

Mr. Elston: A much more reasonable gentleman, probably.

Mr. Stokes: Not really. I refer to the fact that people who earn their livelihood on a reserve exclusively are exempt from paying personal income tax. If 100 per cent of their actual earnings are earned on a reserve, there is a complete exemption from income tax.

The minister may ask: "What has this got to do with me? I am the Minister of Revenue for Ontario." If he will look at the income tax form, about 40 per cent of what the federal government collects finally finds its way into the minister's coffers.

I think his federal counterpart is being very hidebound about the interpretation of that exemption from income tax. They are saying things like, "Well, we have made an assessment that 59 per cent of your income was earned on the reserve as opposed to 41 per cent that was earned off the reserve."

It was all earned in the same community, but if you go to northern communities where there are airstrips, where there is a lease by his friend the Minister of Transportation and Communications (Mr. Snow) so they carve out a piece of the reserve for purposes of building an airstrip, technically it is not within the reserve. If you get somebody who works 41 per cent of his time on the airstrip, he pays income tax; and 59 per cent of his time he uses for repairing roads in the village. That is the kind of arbitrary decision that the Department of National Revenue makes on this.

Does the minister ever have any conversations with his federal counterpart about the application of taxes, how they apply and what percentage of it applies? Do ministers of revenue get together to discuss these things? It causes a good deal of trouble for bureaucrats at the local, regional and provincial levels, and then it gets over to the federal level.

Is there any way the minister can sit down with his provincial counterparts and the Minister of National Revenue to see whether we can find a clearer, much more succinct and much fairer way of applying those exemptions in a more uniform fashion so that we can cut out all of this bureaucracy and red tape and give our first citizens what they are entitled to?

The Deputy Chairman: The Minister of Revenue.

Hon. Mr. Ashe: Thank you, Mr. Chairman.

Mr. Wildman: I have something on the same thing if you would like to—

The Deputy Chairman: All right. The minister can take a moment's rest, and the member for Algoma can speak. I suggest, though, since we have only 49 minutes left and some other honourable members are looking to speak on vote 804 and a few of the other votes, we just keep it moving.

Mr. Wildman: Mr. Chairman, I will take your advice. On the matter that was raised by my colleague the member for Lake Nipigon, I want to underline his concerns with regard to the exemption for treaty Indians from the retail sales tax.

A number of years ago there was considerable controversy in the Sault Ste. Marie area over this issue. It related not just to the reserves in the immediate vicinity of Sault Ste. Marie but also to most of the bands that are under the Robinson-Huron Treaty. I think I congratulated the minister at the time for the readiness with which his taxation people were willing to meet with the bands.

We set up and had a meeting with the chiefs from a number of the bands in the Robinson-Huron area at the Garden River reserve to talk about specifically the sales tax exemption. At that time, as the member for Lake Nipigon said, the procedures were somewhat simplified to make them easier not only for the Indian people but also for the retailers who were to apply them. After that, there was far less difficulty in our particular areas.

Unfortunately, there still remains some difficulty. It seems there is no great uniformity with which the exemption was applied. There were exceptions where some retail outlets were doing it one way and others another way.

When it appeared that some of those problems were being resolved through discussions with the ministry and by having ministry people visit the retail outlets to inform the business people of how they were to do the exemption, the Treasurer (Mr. F. S. Miller) brought in a new budget and we ended up with another problem, because suddenly the government was applying the retail sales tax to cheap meals, the takeout meals.

We have a situation where treaty Indians, who have never had to pay a retail sales tax and who are supposedly exempt, suddenly have to

pay a retail sales tax on food they buy at a fast food outlet.

Mr. Stokes: Unless it is on a reserve.

Mr. Wildman: Unless it is on a reserve. I am talking about next to a reserve.

Mr. Stokes: There is an exemption on the reserve.

Mr. Wildman: That is right. The question which then arises is, how does the ministry know where that food, if it is from a takeout operation, is going to be consumed, especially when you are talking about an area such as Sault Ste. Marie where the Rankin Location Indian Reserve is within the city limits and the Garden River Reserve is right next to the city? You might be talking about a five- to 10-minute drive home from a retail food outlet in the east part of the city.

The government and the ministry are taking the position, because this is fast food and they do not know where it is going to be consumed, that even if the people say, "We are driving back to the reserve," they have to pay the tax.

I thought we had this on the way to being resolved, but the new budget now has thrown a wrench into the whole thing. We have the ironic situation of people who, if they are purchasing an appliance or furniture that is to be used in their homes on the reserve and it is delivered to the reserve, or even if it understood that it is being taken to the reserve to be used there, they are not paying a retail sales tax, but their children are having to pay retail sales tax on food that very well could be consumed on the reserve. It just does not seem right to me.

If we believe in the treaty rights that were agreed to at the time of the negotiation of the Robinson-Huron Treaty and the other treaties that apply to Indian people in this province, and in the constitutional recognition of those rights, then we should be living up to them and not requiring them to pay retail sales tax on anything that is going to be used on the reserve.

Hon. Mr. Ashe: Mr. Chairman, on the issue of the retailers and the Indians knowing the status of the process and the reference to some consistency a couple of years ago, that was when, to buy goods and pay no retail sales tax, they had to be delivered to the reservation.

That was easy and consistent, but I would suggest that is what has caused a lot of the problems. That is why, in effect, we looked at it and about a year and a half ago, since I became minister, we changed it. We sent out new bulletins etc. to the appropriate areas, princi-

pally those dealing with status Indians in and around reserves.

I think there is a lot of familiarity—not exclusively, I suppose—but what we did say was that for the goods that were still delivered on the reservation, that did not change, but an Indian who could prove his status on the reserve could buy tangible personal property off the reserve and take personal delivery and still avoid paying the retail sales tax. That has worked reasonably well with very few difficulties on the part of the retailers, and I think understanding on the part of the Indian community. They still disagree with it from time to time, though, frankly, the reason for that escapes me.

9:40 p.m.

The food issue is another one. The only thing that has changed there out of the last budget is the price on which tax is payable. Before, if an Indian had a restaurant meal off the reserve in excess of \$6, he paid tax. There was no doubt about that. The only difference now is the amount. As for takeouts, we presume that at a takeout restaurant consumption takes place at the point of the takeout restaurant and we are not going to try to change those regulations to accommodate the one or two situations that may have arisen that have caused a few people upsetting situations.

I would suggest if that seems to be a problem, there are two answers: either move the takeout restaurant on to the reserve or make sure to deal with a takeout restaurant that has delivery and make sure that delivery is taken on the reserve. Obviously, that is then where delivery takes place. If somebody picks up at a takeout restaurant, delivery is presumed to have taken place there. In the case of food products, we do not recognize that what goes in here still ends up back on the reserve. If it is put in there outside, it is taxable.

Mr. Elston: Mr. Chairman, as I entered the House there was some discussion taking place with respect to the charging of tax on some of our churches, a question that was raised by the member for Haldimand-Norfolk (Mr. G. I. Miller). Some of my constituents have come up with some difficulties that have arisen with respect to churches that provide the service of meals to various groups. Since May, when the budget was introduced, I was under the impression that the ministry required all churches to have vendors' permits if they catered to weddings or functions such as that, testimonial dinners,

celebrations of one sort or another that were not directly sponsored by the church itself.

I received a couple of the ministry's circulars indicating that. When people inquired, I said: "Yes, you will have to apply because the minister has said, when you cater to weddings and so on, you will be required to get a vendor's permit because those are not church-sponsored events. You are allowed a reasonable number of church events. Otherwise, you will not have to get a vendor's permit unless your sales go over the \$75,000 plateau."

Within the last couple of weeks, I again had cause to inquire at the ministry offices in Orillia and Kitchener and I discovered that there has been a subtle change. That change apparently is that the ministry has developed a program whereby these charitable organizations can cater to a reasonable number of events, including weddings and other things where there is competition even among those charitable organizations and caterers.

It came as a surprise to me because I had not seen a circular indicating that the minister was moving in that direction. I am pleased that he will allow various charitable organizations to escape having to remit sales tax if they comply with the reasonable number of events prescription in his instructions. The minister is shaking his head, but that is what we have been told by his offices.

Hon. Mr. Ashe: Some people make mistakes some of the time.

Mr. Elston: Pardon? They are mistaken.

I was told on one inquiry that as long as the church in question was only going through a reasonable number of these events it should return the vendor's permit it had received earlier, sending in the permit and then advising it did not have to remit tax because it was not doing this catering on a regular basis, i.e., once a month or twice a month, whatever appears to be unreasonable in the mind of the director of that local office.

Maybe the minister would like to clarify that because it became very unclear to me after I made those inquiries and became quite surprised by the whole series of statements made to me by those people.

Hon. Mr. Ashe: I can assure the member we will clarify it with the local manager of that retail sales tax office because the policy has not changed. If the church or charitable organization is in the business of catering, even on an intermittent basis, to service club meetings,

banquets, wedding receptions and so on, in effect outside groups, tax is collectible and remittable by them. That has not changed. Somebody either misinterpreted the question or created a new set of circumstances and gave the wrong answer.

Mr. Elston: I made it very clear. I was quite surprised when the answer came back saying we should turn in the vendor's permit. I do not know exactly how many organizations have now been told they do not have to get the vendor's permit. That has caused some chagrin when it comes to intercommunity dealings between the various congregations involved in these functions.

I was also told it would be reasonable to apply to the ministry for an order in council exempting the various charitable organizations from having to remit tax on the basis they provided a singular service in the community. At least, that was the suggestion I took from it. They did not use those words directly to me.

I might ask the minister at this point if he has had some of those types of applications and, if so, how many? How many have been successful and what are the bases upon which these exemptions are being granted to these various charitable organizations?

Hon. Mr. Ashe: I do not know how many people have written with their own particular sets of circumstances. These are still a routine kind of inquiry. In terms of some of the other specifics that have come to us, I can think of half a dozen. Nobody has been given an exception or an order in council. Pardon me, I can think of one.

What are the senior scouts called? The Rovers were having a jamboree on the Niagara Peninsula, if I remember, some time in June or July, or something along those lines. It was a worldwide event. They had already indicated to the various groups who were coming from throughout the world what the costs would be because they had already been negotiated with a caterer.

In this instance, it was a matter of telling the caterer that he was going to have to pay it. He had cut his pencil so sharp there was nothing for him to pay it with. It would mean going to all of these various Rover groups who were coming from different parts of the world and saying, "You owe another X number of dollars per day or per week to cover sales tax." This was all finalized when the budget came in and the event was taking place shortly thereafter.

On the basis of that, and knowing exactly what the sales tax would have been in this case because there was already a negotiated contract

with the local caterer, I recommended and brought forth a remission of the tax that would otherwise have been payable. It was accepted by my colleagues. That is the only one I can recall I have recommended to my cabinet colleagues and it was accepted.

9:50 p.m.

Mr. Elston: I would like to ask another question. I guess it actually comes down to a two-part question. Since the policy is now that as a charitable organization you will be able to have a reasonable number of your own sponsored events but that you must remit tax on all catered events we will say, is the minister considering including the catered events in the reasonable number? I am trying to find out exactly how the reports came to me from his ministry that some exemptions might be granted on that basis.

Second, I wonder if the minister would consider the situation of those people who work to raise money for functions like the United Nations International Children's Emergency Fund. I was over at the Macdonald Block last week and I happened upon the UNICEF display, where they are selling cards and other sorts of things for that fine charity. They have to charge the seven per cent tax, of course, and remit it to the minister even though their funds are going for a very worthwhile cause. Has he considered granting exemptions to those sorts of charitable functions and, if so, is he in favour of granting some exemption to those types of organizations, or does he plan on any activity that might require them to remit but then maybe give them back the tax in recognition of the fine job they do?

Hon. Mr. Ashe: We have no plans at this time to expand the situation involving the churches and other charitable organizations. Of course, I cannot say this is forever, but at this time there is no thought of expanding it. We looked at all of the various issues that were brought forth earlier in the year, and I think we have come up with something that is reasonable from all perspectives.

With respect to the other issue having to do, for example, with UNICEF, I think where the whole thing gets crowded is that, again, nobody is going to belittle or underrate or underestimate the value of the project or the end result of where the proceeds go. On the other side of the coin, to suggest that we as the Ministry of Revenue or as the government are taking money from UNICEF to satisfy some of our tax needs,

and our tax needs are the people of Ontario's tax needs, we are not.

Mr. Elston: You are.

Hon. Mr. Ashe: No, we are not. That is not so. If you buy some of their cards at \$3, that is the price of their cards. On top of that the consumer is paying 21 cents in tax: \$3.21. If we eliminated the tax, they would still be getting the same \$3. The only winner would be the consumer, not UNICEF and not the taxpayers of Ontario in the context of the moneys we collect and put back into the community.

Mr. Elston: Why don't you charge seven per cent on top of these cabinet ministers leadership dinners?

The Deputy Chairman: Order.

Hon. Mr. Ashe: You had better debate that with another of my colleagues.

The Acting Chairman: On vote 802, with 29 minutes remaining, the member for Oshawa.

Mr. Breagh: Mr. Chairman, I do not want to take a long time, but I do want to put on the record once again my opposition to a number of things that are practised under this particular vote. I still think the expansion of the retail sales tax to include a large number of items, including feminine hygiene products, is inappropriate, that it is the wrong place to tax; that using charitable groups as tax collectors is wrong and, more than just being wrong in a moral sense, it is just plain stupid, because I think the government is creating a lot of aggravation out there and setting up a rather impractical means of gathering revenue for the government.

I do not care what they do, they are not going to get very much revenue out of those church groups and charitable organizations; all they are going to do is aggravate them. I would say now that just before the next provincial election we will see a gradual retreat of even the Minister of Revenue from this whole field. They will just slowly but surely back off and get out of it, because it is not an appropriate place for them to be and they know it. I think they have rather stumbled into something here that they will in their own style, as gracefully as they can, withdraw from, because the revenue coming out of that kind of stuff has got to be peanuts and the aggravation has to be extremely high. It was a dumb mistake in the first instance, and no matter how one tries to change regulations and put out new circulars and retrench, it is a wrong move and the government is going to get out of there sooner or later. I would make the pitch that it ought to make that sooner.

The same thing applies to the cheap meals one can get at a fast food outlet. That is wrong. I do not care what numbers the Treasurer puts out, it has a negative impact on that industry, just as trying to get somebody on a catering wagon to collect retail sales tax is a dumb move as well. There is a whole range of things that I am sure if this minister applied some cost-effectiveness measures to he too would be prepared to say: "Never mind what the Treasurer wanted to do in his budget. This just does not make any sense. It is costing us about \$15 million to run this tax collection process and we are getting a very poor return for our investment."

I know the minister is not going to announce this evening that he will back off, but I am convinced that sooner or later, the Treasurer in his next budget or the Minister of Revenue at some time will begin the process of backing away from that. I know for sure in my heart of hearts that by the time the next provincial election rolls around, none of these stupid taxation measures will be anywhere in sight. I think that is almost guaranteed.

The other thing I wanted to touch on under this vote is the racetracks tax, simply to point out that here is a government in 1982 that is up to its eyeballs in the numbers racket, in racetracks, booze and cigarette taxes. If it were not for people's sins, this government could collapse tomorrow. What is even worse about it—

Mr. Wildman: It is a sinful government.

Mr. Breagh: It is a sinful government. What is even worse about it is that it seems intent on expanding that basis as regularly as it can until pretty soon I warrant the largest chunk of money that this government will receive from all different sources will have something to do with what most of us would call sin. Without sin, this government is in deep financial trouble.

I would be happy if we would carry this vote and the next one and move to 804, because I am sure a number of members here have matters concerning assessment that we would like to discuss for the remaining 32 minutes.

The Acting Chairman: Would the minister like to respond—

Mr. Breagh: He has no response.

The Acting Chairman: Let me make that inquiry, if you do not mind.

Hon. Mr. Ashe: Mr. Chairman, so that we will give the members some time on vote 804, I will not make any specific response, because I do not feel one is necessary. The only thing I will say is that generally, in any tax system, when-

ever there is a change, nobody likes taxes, nobody likes more taxes; but I think the main criterion is to get fairness, at least, in the tax system and with fairness eventually comes some acceptance.

Vote 802 agreed to.

Vote 803 agreed to.

On vote 804, property assessment program:

Hon. Mr. Ashe: Mr. Chairman, in the opening remarks of both critics, they specifically had some questions and used some numbers relating to the Metropolitan Toronto impact study. To make sure I have answered the questions raised by the two critics, and to deal with the anticipated question by the member for Waterloo North (Mr. Epp), I will use about two minutes to answer the questions. I think that may save a lot of problems.

The member for Rainy River (Mr. T. P. Reid) and the member for Oshawa (Mr. Breagh) both raised questions concerning the cost of the Metropolitan Toronto reassessment project. Both quoted numbers, some of which I recognized and some of which I did not. The printed estimates before the House for vote 804, item 4, assessment field operations branch, include \$1.7 million for the Metro reassessment project. These estimates were prepared around December 1981 or January 1982 on the assumption that work on the project would start immediately and that \$900,000 of the total project costs would be spent in the fiscal year 1981-82.

In fact, work on this project was delayed while Metro reaffirmed its commitment to the project, and work did not commence until late March or early April 1982. This meant that all of the work would now take place in the 1982-83 fiscal year rather than 1981-82 and 1982-83. The total cost of \$2.6 million would now all be spent in the one fiscal year and not be divided between the two years.

10 p.m.

In May of this year I responded to questions from the members for Oshawa and Waterloo North, giving cost estimates for the project of \$2.6 million. With the compression of all of the work involved into the current year, the cost of the project was increased to \$3 million. That cost, and the previous numbers I referred to, relate to the cost of additional work over and above the cost of the Metro assessment staff already in place.

I am not aware of the members' numbers of \$4.6 million, \$4.8 million or, indeed, \$5 million, and can only assume they are making their own

estimates of the Metro office costs that form part of the regular cost of operating the assessment offices in Metropolitan Toronto.

Mr. Epp: Mr. Chairman, I appreciate the figures that the minister has given us with respect to the study he has done in Metropolitan Toronto and the fact that he has updated those figures from \$2.625 million to \$3 million, which he says includes additional work.

Can the minister give us a breakdown of the travel allowance, meal allowance, accommodation and personal calls to assessors' families, and also what other categories there are and the costs associated with these various categories? Could he give that to us? If he cannot give it today, he can maybe give it to us in written form a little later.

Also, when will the study be released and why has it not been released to date? He has had the study for some time, as I understand it, and he still has not formally released it. I am wondering whether he could give that to us because there is no sense in his sitting on it.

The other aspect of this study is that I am wondering why he included the city of Toronto in it because it had not requested it. It may resist it for some time to come and then the study will be outdated and the expenditure on it will then be a waste of the taxpayers' money. There may not have been any real reason to have included the city of Toronto in this study.

I also have some other questions that I would like to ask the minister with respect to the assessments. He knows that Tax Reform Action for the People and others have been very much involved in about 6,800 assessments. Has the minister calculated the cost of having these 6,826 new assessments automatically appealed to the assessment review court? Does he have an estimate of that? Also, why was it necessary for the minister to obtain legal counsel from outside the ministry when he had legal counsel inside the ministry available for appealing these cases?

Maybe he could indicate how much he pays the legal firm for doing these various appeals because, as the minister knows, during the past year the city of Toronto has paid a part-time solicitor \$140,000 for doing some work on the Planning Act. I am wondering how much the government of Ontario is paying its solicitors, whether they are working on a full-time or part-time basis. Would he make those figures available to us?

How much is it costing the Ontario government for the ministry's review of the assessments of 6,826 homes in preparation for the

appeals and the court case itself? That is in addition to the actual appeals. He may also want to indicate the cases where the appellant was successful in having his or her assessment reduced and, if no building permit is going to be issued against that particular property in this year, whether the minister will give the assurance to the House that the property will not be reassessed next year again. I see him nodding his head. I get the impression that he is not going to give that assurance. Or is he saying no, it will not be assessed? That is a question he can answer.

With respect to a number of other matters, I want to touch on the urea formaldehyde foam insulation problems. Just a few weeks ago the minister indicated that he was going to establish a tax reduction on these various properties—I am talking about the buildings themselves—of 35 per cent of the assessment. I think he is being blatantly unfair to the people who had their assessments reduced by maybe 70 or 75 per cent, or whatever they were over 35 per cent.

First, he encouraged them to go to the courts. The government encouraged them to go to the courts if they wanted to have reductions. They spent their money, they spent their time, some of them hired solicitors. They went to the courts to get a reduction. They had a fair hearing and then the minister came and unilaterally reduced that assessment to 35 per cent.

I can understand him possibly applying that 35 per cent to next year but I could not understand him applying it to this year, as I understand he has done. He is being very unfair to the people who have this awful problem with the urea formaldehyde foam insulation.

I have just one other point which I will cover very quickly. It has to do with the sale of the 10,993 Cadillac Fairview units in Toronto. Assessments are established on various bases. One could be on the basis of replacement value or on the sale of these properties. I know that my colleague the member for Erie (Mr. Haggerty) touched on this earlier.

If you look at these units from the standpoint of the amount they are selling for, if you look at the escalation in the cost, if the figures are correct, then 10,993 units into \$500 million comes to around \$50,000 a unit. If that is the case and if this is a legitimate sale—some of your colleagues tend to suggest there is nothing wrong with it, nothing illegal, everything else—then the assessment obviously should go up to \$50,000, if you want to use that yardstick.

If that is the case, the assessment on these various properties might multiply by four or five

times. I think they were assessed at around \$11,000 before. The initial sale established the price at around \$25,000 a unit, using round figures. So, the assessments will be more than multiplied by four. That is a substantial increase.

Maybe the minister's assistants have all the answers to this and he can give us some indication in his remarks as to what is actually going to happen to the assessments if \$500 million was paid for these almost 11,000 units.

Hon. Mr. Ashe: So that I will not take up too many of the remaining minutes repeating exactly what I said earlier, I would ask the member for Waterloo North whether he was in the Legislature when I responded to the member for Erie.

Mr. Epp: Yes, I was in the House but the minister did not fully respond.

Hon. Mr. Ashe: I do not know what else I can respond, other than what I said then. I indicated that the whole issue is being investigated to see whether ultimately they prove to be a bona fide series of sales or not, and that in the meantime we would not be using them in any calculations.

I indicated that even under normal circumstances, extreme cases at either end of the sales picture are excluded. So even under those circumstances all or most of them would not be included. I do not know what else there is to say.

Mr. Epp: That is this year. Next year, the minister may very well have them go up. Is that not true?

10:10 p.m.

Hon. Mr. Ashe: Not necessarily. Again we look at the marketplace, and any reassessments we are doing now are based on 1980 market values, which obviously recognize any update at the time they are done.

But in any event I think we are just presuming a lot of things. We will not be taking those sales into consideration at this time, that is for sure. In a year from now, I hope in a few months from now, the whole issue will be clarified by the various bodies that are investigating that total transaction.

On the issue of the homes insulated with urea formaldehyde foam, I think it is safe to say—and I think I made it quite clear on the day I made the announcement of the government policy a couple of weeks ago—that the situation today and the situation a year or so ago are quite different. We did not have any market experience or other experience just over a year ago to determine what the effect would be on market values. There was no indication of any sales in

the marketplace. We still did not have any research done on the estimated cost of normally correcting the presumed problem.

So quite rightly we encouraged and assisted home owners in appealing their assessments to the assessment review court. We went ahead and made the decision that whatever the decision of that court would be for the 1981 assessment and for 1982 taxation, we would not appeal that decision; whether we agreed with it or not, we would not appeal it for that year. And that is exactly what we did. We did not appeal the tax reductions that were obtained, whether they were 45 per cent, 50 per cent or 75 per cent, for this year's taxes—1981 assessment, 1982 taxes. Those benefits went back to the home owners, and they received that reduction for that year.

But I also indicated in responding to many questions during the year that we would look at the whole issue during the year as it went by and that we would come forward, as we were asked to do, with a policy this year for the subsequent handling of the UFFI homes, and that is exactly what we did. During the year, to the degree that was possible, we investigated all of the sales that took place, which totalled something in the area of 100. We discounted about half of those, because there was every indication that the purchaser might not have been aware of the insulation when he purchased the property. Forty-eight properties were left that were bona fide sales with full knowledge of the insulation. We used that information as the basis. I indicated the day I made my policy statement, as I indicate now, that this still is not very many; I do not deny that. This is not a very significant number of transactions in the past year.

Mr. Cassidy: That's because people cannot sell at any price.

Hon. Mr. Ashe: Now there are comments from the peanut gallery.

So we will continue in the coming years to monitor additional sales.

But there was another consideration when we were looking at the whole issue. We went to experts in the trade and said: "Okay, here is the problem. Let us look at your normal house. What is the real cost if somebody wants to solve the problem completely?" Whether they were waiting for the federal government's policy or pronouncements or \$5,000 was neither here nor there in the context of the issue we were looking at. We found out what it would cost in most usual situations to remove the interior lathing,

wall board or whatever it might be in most households, to remove all signs of the insulation, reinstall walls and bring the house back to its normal level as it was before the installation of the insulation.

We came up with the figure that probably 25 per cent of the value of the home was just about right. When we looked at those numbers together we said, "Well, 25 may be a little low, considering what happened in the reduction based on our sales, so we will go to 35 per cent, which should be more than sufficient to compensate for the decreased value of those homes." Keep in mind they really have not decreased in value at all unless the owners want to sell them or try to sell them. In some instances, you could say nobody would buy them in a market such as we have had, but that has not been the experience. The problem can be solved by somebody who wants to solve it. I think the recognition of 35 per cent is extremely fair.

Do not forget, every dollar that is reduced from this or that property has to be paid by the rest of the taxpayers in that municipality. So there are two sides to fairness: fairness to the home owner who has the problem and fairness to the other ratepayers in that municipality. On that basis I think 35 per cent fills the bill. That, by the way, is effective on the 1982 roll for 1983 taxation. There was no retroactivity at all. The policy statement was made before the return of the rolls, so everybody knows the basis for it.

We have encouraged this and will continue to do so. We advertise and send out notices telling people that if they have urea formaldehyde foam insulation and were not part of the appeal process last year, to let us know. We are doing everything possible to communicate with the home owners out there. I think it is fair. Those who do not, will have the same appeal process open to them as they had in the past.

Mr. Epp: Then you will change it?

Hon. Mr. Ashe: There is no doubt. This difference next year will be going in front of the assessment review court on the basis that we now feel we have a figure we can justify and substantiate.

I would suggest that in many of the decisions made this year the courts had the same problem that we had. They really did not have anything to hang their hats on, either. As it has turned out, they may have been a little too generous in some situations, but that will remain to be seen on issues that may be brought before them based on appeals of the 1982 assessment rolls.

On the Metro situation, I can give you a breakdown of that approximately \$3 million. The casual staff in Metro offices were summer students and people who were brought in on a part-time or contract basis to aid in the calculation process. They were not people who were physically involved in the field work of the reassessment. Overtime for external assessors was \$1,220,000; the associated employee benefits that go with that were another \$98,000. Travel for external assessors amounted to \$1,309,000; systems and data processing, \$92,000; and supplies, \$4,000. That adds up to \$3,030,000, which is the total amount involved for external purposes.

I do not want to lead you to the wrong conclusion that that was the total cost of the Metro reassessment. It was not. There were the regular salaries of the people who were involved in both the external and internal processes in Metro. As far as the Metro people were concerned, apart from possible overtime, they carried on their regular duties.

A lot of those regular duties included reinspections that came in the some 5,800 appeals. There was no particular extra expense involved in that. The reinspections were made as part of the process.

The cases were prepared for court and brought in front of the assessment review court without retaining or using legal counsel. Each of the appeals was handled by the assessor himself, so there was no outside legal cost whatsoever.

I cannot tell you that if people did not make changes this year, we will not change their assessment next year. That was one of the criticisms brought against us by Tax Reform Action for the People. They were saying, "Why did we get caught and our neighbour did not?" Maybe we found out about them this year when we didn't last year. I think it is only fair and equitable that we treat those people in the same way as we supposedly mistreated some people last year.

If changes are warranted to bring one further step of equity into the marketplace, that is exactly what we will be doing.

10:20 p.m.

Mr. Renwick: I want to be as succinct as I can. On November 4, I raised some questions with respect to making available to people appearing in the assessment review court certain information which had been withheld on November 3 with respect to the reassessments in ward 8 in the riding of Riverdale.

I want to make four points. I could only ask you one question during the course of question period on November 4. What happened to my constituent was that the ratio between the assessment and fair market value, which was the figure used, was at first said to be based on a data set of 200 and the information with respect to that was not disclosed when the hearing was taking place in the court.

A little while later, another of your representatives in the court indicated it was not 200 and the ratio was not 4.9 per cent; the data set was 193 and the ratio which came out was 4.8 per cent. That was one point. Those were based on the 1981 assessments and the 1981 figures with respect to value.

Other constituents in the same general area, indeed on the same street, were faced with a data set operation related to 1980 and the ratio in those cases was 6.9 per cent.

If the information I have is correct, your

officers in the court did not know whether these were averages or medians in coming to the conclusion about the percentages which were to be used. My constituent was also unable to obtain that information.

Latterly, by going to the office—

The Acting Chairman: Order, please. The time has expired.

The time for the estimates of the Ministry of Revenue having expired, pursuant to standing order 46(d), I am required to put all questions necessary to carry every vote and item of the estimates. The only vote outstanding is vote 804.

Vote 804 agreed to.

On motion by Hon. Mr. Ashe, the committee of supply reported certain resolutions.

The House adjourned at 10:24 p.m.

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Monday, November 22, 1982

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SPEAKERS IN THIS ISSUE

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 Bryden, M. H. (Beaches-Woodbine NDP)
 Cassidy, M. (Ottawa Centre NDP)
 Cousens, D., Deputy Chairman and Acting Speaker (York Centre PC)
 Elston, M. J. (Huron-Bruce L)
 Epp, H. A. (Waterloo North L)
 Johnston, R. F. (Scarborough West NDP)
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 Renwick, J. A. (Riverdale NDP)
 Robinson, A. M. Acting Chairman (Scarborough-Ellesmere PC)
 Stokes, J. E. (Lake Nipigon NDP)
 Wildman, B. (Algoma NDP)



No. 151

Legislature of Ontario Debates

Official Report (Hansard)



Second Session, Thirty-Second Parliament

Tuesday, November 23, 1982

Afternoon Sitting

Speaker: Honourable John M. Turner

Clerk: Roderick Lewis, QC

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LEGISLATURE OF ONTARIO

Tuesday, November 23, 1982

The House met at 2 p.m.

Prayers.

INVESTIGATION OF INVESTMENT COMPANIES

Mr. Bradley: Mr. Speaker, I have a point of privilege to raise.

Hon. Mr. Ashe: Trying to save your leader again?

Mr. Bradley: No, trying to save some of your constituents.

Mr. Speaker: The point of privilege, please.

Mr. Bradley: The point of privilege is this: It is my understanding that the Minister of Consumer and Commercial Relations (Mr. Elgie) has in his possession a report from the Ombudsman concerning the Re-Mor reference that was referred by the Re-Mor investors to the Ombudsman for investigation. It is also my understanding that the minister has had that report available to him since July and has not responded to it.

I am not asking a question to which he may wish to respond. I am asking whether you, as the Speaker, could intervene with the minister to ensure that the report is made available to the House very soon.

Mr. Speaker: I must rule that is not a point of privilege because your privileges have not been abridged in any way. However—

Mr. Nixon: On the point, Mr. Speaker—

Mr. Speaker: Just one moment, if I may. I was going to suggest that perhaps the minister has taken note of what you have suggested and it might better be raised in question period.

Mr. Bradley: He may want to respond now.

Mr. Cooke: Mr. Speaker, on a point of order: I tend to think you have missed the point that was raised. I am not sure we should be going to the minister. The question is about the negotiations that go on between the Ombudsman and a minister of the crown. Instead of these reports going to the minister, they should be made available to the Legislative Assembly, to which the Ombudsman reports.

Mr. Speaker: I am not aware that any report has gone to the minister. As I suggested earlier,

that is something which would be more properly handled in oral question period.

Mr. Cooke: I didn't know we could ask questions of the Ombudsman.

Mr. Nixon: On the point of order, Mr. Speaker: What are we supposed to do when we go through the procedure of passing a statute establishing an Ombudsman who is the servant only of this Legislature?

He undertook a review of a matter of public concern and of concern to individual members of the Legislature and reported to the minister some months ago. The minister will not table the report. I suppose we can come down on the Ombudsman when we get to discussion of his estimates, but surely if the minister has a report that should be in the hands of the Legislature, he should table it.

Mr. Speaker: As I mentioned earlier, I do not have any knowledge of that, and obviously you have some question, too.

Mr. Martel: On the same point, Mr. Speaker, one has to ask the Speaker which minister should one ask, because in fact the Ombudsman does not report to a minister; he is responsible only to this Legislature through the Speaker. If we ask a minister, it is unfair in the sense that it is not supposed to be reported to any minister; the Ombudsman is supposed to report to this Legislature through you. I think we have to ask the Speaker this question, because he ultimately is the person responsible for this Legislature itself. It is my opinion that this matter should go to the select committee dealing with the Ombudsman, but certainly not to a minister of the crown.

Mr. Speaker: I thought I had made myself perfectly clear on that matter. I do not have any knowledge of any such report.

Hon. Mr. Elgie: Mr. Speaker, on a point of information to clarify the issue: The Ombudsman, as members know, goes through a certain series of steps under the bill; I think it is section 19(1) initially and then section 19(3)—various stages. I do not recall the exact date the report came in, but clearly his recommendations have implications not just for the government but for those who have lawsuits pending. My deputy is in consultation with the Attorney General (Mr.

McMurtry) to clarify some matters before a final response to the Ombudsman's report is sent. Everything is being done in compliance with the legislation and there is no attempt to deprive the House of any information whatsoever.

ORAL QUESTIONS

METROPOLITAN TORONTO POLICE PRACTICES

Mr. Roy: Mr. Speaker, I would like to address a question to the Attorney General, if I may have his attention, which has to do with our continuing series of questions on the Proverbs matter.

We have been provided a two-minute video of some of the tapes. This two-minute segment is a conversation between the two police officers in the absence of Mr. Proverbs, and I would like to make it available to you, Mr. Speaker, to make it available to whoever may wish to view this evidence.

I am sure the Attorney General has had occasion to review the transcript of the video, and I would like to ask him if he was aware that during the conversation of the two officers some exchanges took place. I will just read briefly where one officer said, "He didn't know who was coming through the door." At another point the officer said, "But up to that point he had cause for grief." Finally, at another point officer Reynolds said, "I dressed it up a little bit," referring to the evidence, and the other officer said, "Of course."

Was the Attorney General aware of this evidence at the time the prosecution took place, either at the preliminary hearing or at the trial? Was he aware that apparently one of the police officers admitted in the absence of Mr. Proverbs that his evidence had been doctored at the preliminary hearing? If he was aware of this evidence, could he advise us why he decided to continue the prosecution, given this evidence?

Hon. Mr. McMurtry: Mr. Speaker, first of all I have not reviewed all of the transcripts—as a matter of fact, very little of the transcript relating to the some 37 hours of tapes that were handed over. I just found two pages on my desk that the honourable member sent over to me, and I had not seen this before.

2:10 p.m.

I would like to say, first of all, that the defence counsel have announced their intention to appeal and therefore, as the member can appreciate, I assume that some of these matters will be the

subject of argument in the Court of Appeal in due course.

I would like to make this general observation. There was a great deal of pressure brought upon the crown attorney's office not to proceed with these charges on the basis that these tapes had discredited the police officers who would be giving evidence for the crown. That is pretty much public knowledge.

It was also suggested in a memorandum that Mr. David Humphrey sent to Robert McGee—and apparently released to the press, because I saw a good portion of in the Toronto Star—that, first, the police officers had discredited themselves and, therefore, the crown did not really have much of a case to proceed with.

Second, he referred to the tapes. I have seen large portions of the memorandum reproduced in the press in which it was reported that a lot of the garbage contained in the tapes would smear innocent people and that he felt all of this should, and would, simply be dumped in the lake where—according to Mr. Humphrey—garbage such as this belongs, if the crown did not proceed with the charge against Proverbs.

It was the view of our crown law officers that, despite the fact that this type of garbage could embarrass a number of innocent people, they still had a valid case against Proverbs and they simply were not going to be intimidated against proceeding because of all this "garbage." Whether or not the police officers' evidence was credible was obviously the subject matter of a cross-examination by Mr. Proverbs, which took some five or six days.

The jury had the credibility of officer Reynolds put to them, I am advised, in almost six days of cross-examination. His credibility was very much in issue throughout. The advice we received from the law officers of the crown about the propriety of proceeding may have been borne out by the decision of the jury, who obviously felt there was evidence upon which they could convict Mr. Proverbs. That evidence was substantially the evidence that came from police officer Reynolds with respect to this particular point.

I say this at this time because I know that despite some of the flamboyant rhetoric that comes from the member for Ottawa East (Mr. Roy) about some of these matters, when he applies his mind to some of these issues he has an understanding of what we are concerned about. I have to say I was somewhat disappointed in him when he suggested that the

Attorney General of this province was not concerned with the credibility of the administration of justice. The whole point in proceeding with this case was to demonstrate that, notwithstanding the so-called garbage that could embarrass people in public life, including the Attorney General, we were not going to be intimidated against proceeding with a charge which we felt was valid.

There are a number of other reasons, which I am not at liberty to discuss at this time, why we felt it was very much in the interests of the administration of justice to proceed with this charge. The fundamental consideration was that there was sufficient evidence. We were simply not going to be intimidated against proceeding because of a lot of rather sensational revelations surrounding the conduct of the police, which obviously has to be of great concern to us.

The two issues are of continuing concern. First of all, there was the issue of whether we had sufficient evidence and whether it was in the public interest to proceed. It was the view of my advisers, and my personal view, that we should proceed with this charge and not be intimidated against proceeding. The conduct of the police officers is another important issue that has been addressed and is continuing to be addressed through the investigation of the Ontario Provincial Police and all the allegations contained therein. When that investigation is concluded, we will have something more to say about that.

I hope that on reflection—and I appreciate that the member for Ottawa East does not have all the facts; I am quite aware of that—I am confident that when he appreciates all the circumstances he will agree wholeheartedly with the decision to proceed with the charges in this matter. In that manner the integrity of the administration of justice in this province was protected. I am confident that when he is aware of all the facts he will have no difficulty in coming to that conclusion in his own mind.

Mr. Roy: I do not want to get into an argument and start lecturing the Attorney General, but I want to say, if I may, that I hope the Attorney General realizes that we on this side fully agree that the Attorney General's office or the crown attorney should not be intimidated as to whether they should prosecute or not prosecute. We applaud that particular approach. We understand as well that if it was the Attorney General's decision to leave this evidence for the

jury to decide, we understand that approach. Does the Attorney General not understand, though, that when police officers, on tape and in the absence of the accused, say they have doctored their evidence at a preliminary hearing, that is cause for great concern?

I would also like to ask the Attorney General whether the conduct of Mr. McGee, the senior crown attorney, in resigning his position just before the trial had anything to do with any suggestions he may or may not have made suggesting that this prosecution should not go forward.

Hon. Mr. McMurtry: The second part is really another question, but I am quite happy to answer it as one of the overall concerns. The statements attributed to the police officers on the tape, of course, have given us very great concern, including the one the member referred to. It was for this reason that some weeks ago I requested Deputy Commissioner Lidstone to conduct a full investigation into the conduct of the police officers and the allegations contained therein. I want to make it very clear that statements such as that obviously have given us great concern from the very moment that we learned about them some time ago—I might say some months ago.

With respect to Mr. McGee, who is one of our most respected crown counsel, the deputy crown attorney for downtown Toronto, he has publicly said two things. First, he was concerned about the level of compensation that was available to senior and very valued crown attorneys such as himself. Mr. McGee certainly is, I think, one of the finest crown attorneys this province has produced, in my experience, and I have nothing but the highest professional and personal regard for him.

Second, and this appears to have been lost, judging by a couple of things I have read in the last day or two, Mr. McGee said that some of the material that Mr. Proverbs was providing contained allegations against Mr. McGee personally. Mr. McGee felt there was a possibility that he could be a witness in the case because of the allegations Proverbs was making against him. Of course, Proverbs was making allegations about a great number of people. But because allegations had been made, as ludicrous as they were, it still raised the possibility in his mind that he might have to be a witness, and obviously he could not conduct the prosecution with the knowledge that he might have to be a witness as well.

Mr. Renwick: Mr. Speaker, could the Attorney General tell the assembly when he anticipates he will make available to the House a report of the result of the police investigation by Deputy Commissioner Lidstone of the Ontario Provincial Police on this matter? Surely it should not take a great period of time and surely his decision about a royal commission and the decision of this assembly about a royal commission should await that report. Can he tell us when the report will be available to us?

2:20 p.m.

Hon. Mr. McMurtry: Mr. Speaker, I cannot be precise. I hope it will be available in the near future. I would be disappointed if I could not get back to the Legislature on the report before the Legislature adjourns for Christmas. Whether or not we are going to adjourn before Christmas is a matter that is somewhat in doubt at the moment, I gather, but I would certainly hope that I could report to the House before Christmas on the results of that investigation. I am sorry. I simply cannot be any more precise than that at present.

Mr. Roy: I would refer to the Attorney General's comments about our criticism of his lack of defence of the administration of justice. Does he not realize that the reason for our comments is that there has been somewhat irrational conduct on his part? For instance, his making a comment about the background of the accused and the evidence during the course of a trial, or between the preliminary hearing and the trial, was conduct that in our opinion required some type of an explanation from the chief law officer of the crown.

Does the Attorney General not realize as well that there was a series of questions raised here on the conduct of the police officers, the crown attorneys and judges? Those should be matters for a judicial inquiry, an inquiry by someone having the type of independence this sort of inquiry requires. Does the Attorney General not understand the reason for our criticism of him is that we feel the police are not the proper vehicle for investigating the police in this case? Until we get a proper explanation for his conduct, we will continue to raise questions about who is defending the administration of justice.

Hon. Mr. McMurtry: If there are going to be questions raised about anybody's conduct, I would ask the member for Ottawa East to examine some of the silly statements he has made throughout this unhappy episode, starting

with the statement he made a moment ago. I have always believed that this member has a better understanding of law enforcement and the administration of justice than his questions have sometimes revealed, and I still do believe that.

For example, he mentioned the police investigating the police. We have had a number of judicial inquiries in this province during his time in the provincial Legislature and during his time as a member of the bar, and preceding any inquiry there has always been an investigation by the Ontario Provincial Police, whether or not it involved allegations of misconduct of the police or of anyone else.

I can think of two inquiries that I know something about because I was involved. One was the inquiry that the then Solicitor General John Yaremko announced of the disturbance outside the Ontario Science Centre during Mr. Kosygin's visit, which led to the inquiry headed by Judge Vannini. That was about allegations of police misconduct, and it was preceded by a comprehensive OPP investigation. Second, the Morand inquiry into allegations of police misconduct in Metropolitan Toronto, an inquiry which the member will recall lasted for more than a year, conducted by Mr. Justice Morand of the Supreme Court of Ontario, who is now the Ombudsman, was preceded by a very lengthy OPP investigation into the allegation of police misconduct.

I cannot understand why the member, with this knowledge, would suggest that there is anything unusual about the OPP being brought in to investigate allegations of police misconduct. That is the way it has always been done in this province. I think the OPP have continued to demonstrate, often in difficult circumstances, their independence, their integrity and objectivity in these matters.

RENT CONTROL

Mr. Peterson: Mr. Speaker, I have a question for the Minister of Consumer and Commercial Relations. The minister is aware that his temporary legislation will protect for a year or so the tenants who live in the buildings affected by the Cadillac Fairview-Greymac purchase. He is also aware that a large number of tenants living in buildings where sales closed before October 31 will not be protected and that we are going to see a glaring disparity between the rents passed on in those situations as opposed to those caught after the implementation of his legisla-

tion. Does the minister not feel that is quite unfair in the circumstances?

Does he not feel that, to bring more equity to this situation, we should have a five per cent freeze for a period of a year, for the restraint period at least, to bring all these matters into line and let Mr. Thom look at these matters and report to us in a year or so about what should be done about the resulting circumstances?

Hon. Mr. Elgie: Mr. Speaker, unless the Leader of the Opposition and I have a different understanding of the process, I would like to think he would acknowledge that some of his remarks probably are not quite accurate.

Let us go back to the process. Under our rent review program, if a landlord chooses to impose a rent increase of six per cent or less it is not necessary to go to the rent review commission to have that rent scrutinized and approved to make certain it is a cost pass-through.

If a landlord chooses for whatever reasons, in terms of his costs and so forth, to go to rent review for scrutiny and for a determination as to cost pass-through, and if those matters before the commission relate, let us say, to financing charges, the practice of the commission until November 16 was that financing charges would be phased in over three years. Its new practice is to phase them in over periods up to five years. It is necessary for landlords to apply on an annual basis to have a rent increase above the six per cent guideline.

For example, if there was an application for a rent increase for a building sold in July, and the application for a rent increase was received prior to October 31, the initial hearing with respect to the sale and the financing charge related to it would be dealt with, in the first instance, under the new guidelines of the commission which phase things in over five years.

But next year, on the second application, remembering the bill covers a period of 14 months, the five per cent imposition on financing charges would apply, so those tenants are not left out in the cold. In fact, they will receive the benefit of the new guidelines and of the five per cent restraint on financing which would be imposed next year when they come back again for an increase.

Mr. Peterson: I call to the minister's attention the situation of the City Park apartments of which he is no doubt aware. I would like to ask him about that situation. He is aware that these three buildings at Church and Alexander streets were sold along with 580 Christie Street to a

numbered company for \$23 million on June 11, 1982.

One of these buildings, 484 Church Street, was leased to the four Greymac companies for \$7 million at a rent of \$1 per year. The term of this lease is 21 years less a day. It stipulates that the Greymac companies are to pay all the costs as if they were the owner and operator of the property. It also provides the lessee with an option to purchase the property at any time for \$1. The Greymac companies obtained a \$4-million mortgage from Seaway for this lease.

On September 24, the Greymac companies assigned their lease to Timothy Howard in trust. Mr. Howard is connected with Kilderkin. He was made a director of Greymac Mortgage when that company was bought by Kilderkin for an as yet undetermined sum. At the same time, the Greymac companies assigned their lease for this property and their portion of similar leases on two of the other City Park properties to Timothy Howard in trust, who in return mortgaged \$8.75 million to the Greymac group at 17 per cent.

The owner of this building has applied to the Residential Tenancy Commission for an increase of rent but no hearing date has been set.

Would the minister not agree with me that the type of facts presented in this case, and I had to be very specific, are not unique, there are others involved, and that they should be treated *pari passu*, on an equal footing, in the same way other buildings rolled over after October 31 are being treated? Would that not bring more fairness and equity into his program?

Hon. Mr. Elgie: I think we should always look at things that might improve what has the appearance of a lack of equity. I would like to say to the member that the account I have given him does indicate that the same equitable principles will apply to applications regardless of whether or not they were made before October 31.

2:30 p.m.

He and I both know that one could set a date of September 30 and there would be situations where a sale had occurred or an application had not been received prior to that. What I am saying to the member is, if there are financing charges involved, then that issue and the application of the bill will come before the commission during that period of 14—

The member should not shake his head when he is hearing facts. I know the Leader of the Opposition has a role to play and it is an

important role, but he should not do things he does not mean, because he does understand that when that comes up for application next year the rules will apply.

He also knows that the chairman of the Residential Tenancy Commission, Mr. Williams, has indicated that a co-ordinated effort would take place within the commission to make certain that a number of properties, including properties like this, would be examined in great detail to make certain of a number of issues: for example, the existence of arm's-length transactions and so forth.

I also would like to make it clear that transactions such as this will undoubtedly be matters that the Touche Ross commission will look into when it carries out its inquiry.

Mr. Rae: Mr. Speaker, could the minister explain to us why the new owners—we do not know for how long or how speculative they are, but they are the new owners—of the City Park apartments or, indeed, of the apartments in Ottawa that my colleague the member for Ottawa Centre (Mr. Cassidy) mentioned yesterday, are going to be allowed to apply to the Residential Tenancy Commission to write off the refinancing costs over a period of five years? Under schedule A, if they were going to go in and ask for a write-off, or a write-down, of drapes, shingles, roof tops, furnaces or virtually anything else in those buildings, they would be required to write those down over a period of 10, 15 or 20 years.

Why is the minister giving them a deal on the refinancing, much of which is purely speculative, when he is not requiring them to write it off over a much longer period, as the Residential Tenancy Commission is requiring them to do with respect to all these other items in those apartment buildings?

Hon. Mr. Elgie: Mr. Speaker, I just cannot believe that the honourable member does not accept, as I am sure the public does, that the new guidelines that have been imposed with respect to financing charges occurring as a result of a sale or resale, with the resale financing having to stand aside and wait until the initial financing charges have been passed through and with the interest charges on those financing arrangements not being passed through, are a major intervention. These guidelines signal very clearly that the kind of process we have seen in this particular transaction is not something this minister sees as good for society, good for tenants or good for any of us.

Mr. Peterson: Mr. Speaker, now that we have the minister's assurance that his SWAT team will determine if there are any nonarm's-length transactions, if there is anything untoward in these various transactions—and we have nothing but his assurances in that regard, because he does not really have the power to investigate—I gather in addition that he is saying—

Hon. Mr. Elgie: On a point of privilege, Mr. Speaker: In saying that, the Leader of the Opposition is casting aspersions on a quasi-judicial body that is subject to judicial review, and he should not make those statements unless he means them.

Mr. Peterson: The minister is being a trifle sensitive here. It is not his style. He used to be such a nice fellow until he got this portfolio.

Mr. Speaker: Question, please.

Mr. Peterson: The minister is now suggesting that he will catch up with these things when an application for rent review is made before the Residential Tenancy Commission. He is going to allow pass-throughs in the first year, on financing based on a five-year pass-through, which is much larger in many cases than five per cent; then he is going to compound that next year with another five per cent, still putting the group of tenants I referred to in disadvantaged circumstances.

The Residential Tenancy Commission has a massive backlog of cases—as I understand it, applications from some 2,655 whole buildings have yet to be heard—and the minister will not find out about a lot of these matters until they come before the Residential Tenancy Commission, and it could be a year or six months from now. Does the minister not agree with me that it would be far fairer, in administering this program, to get to the root of it now, to look at all aspects of it now, and to treat all tenants fairly in the circumstances?

Hon. Mr. Elgie: I would be sincerely disturbed if I thought the tenants out there did not appreciate that the five per cent restraint on financing charges will apply to them when an application is received during that 14-month period. To try to mislead them to think otherwise is not fair.

I hope the member appreciates that the Thom commission will look at the adequacy of our rent review system in terms of protecting tenants and that, surely he understands, the processes I will be introducing in terms of a bill are to deal with the interim period of time until a report is received from Mr. Thom.

YOUTH EMPLOYMENT

Mr. Rae: Mr. Speaker, my first question is to the Provincial Secretary for Social Development, who is responsible for the Ontario Youth Secretariat.

Given that there are 192,000 young people now out of work, which is 68,000 more than a year ago—163 new young people are put out of work every day—can the provincial secretary tell the House how she feels about the fact that yesterday's announcement by the Treasurer (Mr. F. S. Miller) did not contain any programs or projects directed specifically at young people?

Hon. Mrs. Birch: Mr. Speaker, the honourable member will know that in October we announced the winter experience program, a new initiative by this government. The Treasurer had indicated his concern in the area of providing something during the winter for those large numbers of young people who were unemployed. This is a new program that has been designed to help those disadvantaged young people, who perhaps have dropped out of school, who do not have the ability to develop résumés and to find positions. We anticipate that 1,800 young people will benefit from that program alone.

The member will also know the Treasurer has indicated that many young people will be applying through the Ontario youth employment program and some of the other programs. The jobs are not specifically for any one age group. Indeed, many young people will qualify for the jobs announced by the Treasurer.

Mr. Rae: I find it hard to believe, Madam Speaker—

Mr. Havrot: Madam Speaker?

Mr. Rae: Mr. Speaker; you must forgive me.

Mr. Speaker: Thank you.

Hon. Mr. Eaton: I guess you think you are back in Ottawa.

Hon. Mr. Ashe: Things were easy there.

Interjections.

Mr. Speaker: Order.

Mr. Rae: I am surprised at the outburst of sexism, but if I could move on—

Mr. Speaker: Supplementary, please.

Mr. Rae: I am surprised to hear that the provincial secretary can find any satisfaction in the fact that a make-work project has created 1,800 jobs when the figures show that the need is so much greater, at 192,000. To describe it as a drop in the ocean would be an exaggeration.

Surely the provincial secretary understands the severity of the problem.

Since the Treasurer has announced that job creation is principally the responsibility of the private sector, I want to ask the provincial secretary, as the minister responsible for the youth secretariat, which sectors, industries or approaches to skills training she has targeted as the source of jobs for young people in the future. I am sure she will agree with me that unless something is done, we are creating a generation of young people in this province who will not understand the meaning and satisfaction of work.

Hon. Mrs. Birch: I am not really surprised that the member is surprised we are only providing opportunities for 1,800 young people through that particular program. I think he will agree with me that government is attempting to meet some of the needs. But I think it is totally unrealistic to expect that a government can do it all, particularly in times of high unemployment. There are many unemployed people who have mortgages to meet, who have families to raise and who are having great difficulty in finding employment. To focus in on the youth of this province is totally unrealistic.

2:40 p.m.

Of course, we are approaching industry. Over the past few months, we have been trying to encourage them, but when the employment opportunities are not there, I do not think we as a government can manufacture jobs. We have to continue to try to develop a climate that will provide jobs in the private sector.

We on this side of the House are just as concerned as the member about developing the work ethic among young people. We are very concerned about that. But, unfortunately, governments cannot provide job opportunities for everyone in the private sector. We are attempting to provide jobs through the winter experience program. When we see how that goes, we will take it from there as we can.

The Treasurer has been very helpful in making money available for us to try different approaches to providing employment for young people.

Mr. Sweeney: The Provincial Secretary for Social Development will be well aware that there has been an 84 per cent increase in unemployment among young people between the ages of 15 and 24. While we have concern for all people who are unemployed, this is one group which has been particularly hard hit.

The minister will also be aware that last spring, one of the findings of our task force was the disenchantment of the young people of this province with a series of short-time job opportunities, while they were looking for full-time work.

Has the minister provided opportunities in this job creation plan for these young people to gain skills which will enable them to have further opportunities for jobs when it is over, rather than them having just one more short-term job opportunity, one more dead end?

Hon. Mrs. Birch: I am sure the honourable member is aware that at the present time we are funding 22 youth employment counselling centres across this province. Through these centres, we hope to be able to help young people identify gaps in their own education and, through counselling services, we hope to provide them with expertise in developing résumés and approaches in looking for jobs. Also through these employment counselling centres, we are arranging placement opportunities for the many young people who are taking advantage of the services.

These youth employment counselling centres have been in operation for just over a year. I think they are being very well handled and that many young people are finding them very co-operative. It will take time, but at least we are making an effort to reach those young people who are having difficulty.

We all know that circumstances today are quite different; that there must be retraining, more apprenticeship programs and more skills training development. Through the Ministry of Education and the Ministry of Colleges and Universities, those opportunities are being provided for many young people. But it has been a problem of long standing and it will take some time to find all the solutions.

Mr. Rae: Surely the provincial secretary understands that for young people to learn to write a résumé for a job that does not exist is an insult and will only increase their sense of frustration and dissatisfaction?

On that score I would like to ask the minister, as a final supplementary question, whether the youth secretariat has done any studies such as the one currently being done by the Social Planning Council of Metropolitan Toronto? Has her department done any studies which she could pass on to the Treasurer, indicating the social impact that unemployment among young people is having, particularly in increases in crime, vandalism and suicide? Have these studies

been done and been passed on to the Treasurer so that he will know the impact his lethargy has had on the social structure of this province?

Hon. Mrs. Birch: Through the youth secretariat, we helped to fund the Wolman study which did focus on youth unemployment. That study has been forwarded to the Ontario Manpower Commission, with which we are also associated, and a very clear look is being taken at some of the recommendations within that study.

WINDSOR COURTHOUSE RENOVATION

Mr. Rae: Mr. Speaker, my question is for the Minister of Labour. It concerns a program that was undertaken in the city of Windsor to renovate the historic courthouse, MacKenzie Hall, under the Ontario employment incentives program. Five people were hired, to start in October. During the first 30 days of that project—the minister may not be aware of it, and that is why I have to give him some information on this score—the five workers who were involved were exposed to significant amounts of asbestos. A number of events have transpired since that time, the latest of which is that the project has been closed down.

I would like to ask the minister whether he can guarantee that the workers, who were working on this courthouse project, will now be re-assigned to safe work in order that they may requalify for unemployment insurance benefits.

Hon. Mr. Ramsay: Mr. Speaker, in the past six months I have initiated a process where inspection reports and other occupational health and safety reports come to my desk in numbers of 100 to 200 a week. I try to look them all over, but I sometimes have great difficulty. So there will be occasions when, try as I might, I will not be aware of all of the circumstances that may arise in this field. This one, in particular, I was unaware of. I will be happy to look into this matter and advise the leader of the third party as soon as I can.

Mr. Rae: The employees, for the minister's information, exercised their right to refuse dangerous work three times over the course of two weeks in an effort to get the city to follow the proper Ministry of Labour guidelines for the removal of asbestos.

As a supplementary question, I would like to ask the minister to make an investigation into why the ministry did not take air samples to find the level of asbestos when they were first called in on November 4, a month after the project began. Why did the ministry inspector not

notify the union health and safety representative to accompany him on the inspections on November 8 and November 12?

Hon. Mr. Ramsay: I will be pleased to look into those matters, Mr. Speaker.

Mr. Martel: Mr. Speaker, given that one of the workers, Mr. Blanchette, who refused to work until he had proper equipment, namely, a mask and suitable clothing, was sent home—a clear violation of the act—will the minister, when he answers my leader, indicate why charges were not laid then? Also, given that the protective barriers that had been ordered by the ministry were removed while the work was still in progress, could he find out why charges were not laid on that count? Finally, given that there were innumerable contraventions both of the act and of the guidelines regarding asbestos, can he indicate, when he responds, whether he intends to prosecute?

Hon. Mr. Ramsay: Mr. Speaker, I will be happy to look into the various points the honourable member has brought to my attention.

FUNERAL SERVICES BOARD APPOINTMENT

Mr. Van Horne: Mr. Speaker, I have a question for the Minister of Health. Is the minister aware of the controversy surrounding the apparent upcoming appointment of Mr. John D. Loveridge of Ingersoll, Ontario, to the Board of Funeral Services? Is this appointment still to take place, in the light of that controversy? Also, what qualifications are needed for such an appointment?

Hon. Mr. Grossman: Mr. Speaker, as I recall, this is a lay appointment to the Board of Funeral Services, and there is a vacancy for the lay appointment. A variety of names have been put forward to us, of which Mr. Loveridge's name is certainly one, but a host of names are being considered, as is quite proper in the circumstances.

Mr. Van Horne: I am sure the minister can appreciate the concern of many of the funeral directors. Could the minister confirm that such an appointment as that of Mr. Loveridge is a concern of the directors? Could he also confirm that the Memorial Funeral Home of London, an organization that Mr. Loveridge was associated with, was charged with a violation under the Funeral Services Act and, further, that he made statements suggesting that the act and the board should be disbanded? If those statements are confirmed by the minister, I am wondering if

this is really the type of person who should even be considered for such an appointment.

2:50 p.m.

Hon. Mr. Grossman: I think it is quite appropriate for the Ministry of Health to seek a variety of names from a variety of sources. Funeral directors, members of the public, the memorial societies, knowing these appointments are coming up, have all forwarded a number of names to the ministry for our consideration.

All that has happened is that Mr. Loveridge's name has been put forward together with a number of others from a variety of sources. As we get into the process of finding out who these people are and what their backgrounds are, obviously circumstances like that, if they are factual, will be brought to my attention.

I should add, in the case of Mr. Loveridge I happen to be aware of his name among the many that have been put forward because many of my colleagues have raised a concern with me about some of his connections, not that those are wrong in any way, but they may show a bias on one side or the other of the memorial society versus funeral directors disagreement which as the member knows is before the courts.

In phrasing that question to me, some of my colleagues have pointed out they think the person should be someone who comes to the board with a totally nonbiased position and, in that context, the name of Mr. Loveridge was raised because I understand, although I do not know for a fact, that he indeed has some connection with a memorial society. I do not know the carryings on of that particular memorial society; they have not been drawn to my attention yet. Those discussions are still in an early stage. My colleagues have drawn this matter to my attention and it will be reviewed.

CONVERSION TO CONDOMINIUMS

Mr. Philip: Mr. Speaker, I have a question for the Minister of Municipal Affairs and Housing. Is the minister aware of the great concern in the cities of Ottawa and Toronto about the ability of certain companies to convert rental buildings to pseudo-condominiums as an end-run around the condominium conversion bylaws, an end-run around section 60 of the Condominium Act and as an end-run around the Planning Act? Is the minister prepared to stop these conversions by an amendment either to section 29 of the current Planning Act or to section 49 of Bill 159?

Hon. Mr. Bennett: Mr. Speaker, I am aware there have been some applications before the

municipality in Ottawa in relation to the conversion of some units into a co-op sort of holding company.

I trust the member will recall that about a month ago the Minister of Consumer and Commercial Relations (Mr. Elgie) and I had the opportunity at cabinet of presenting a case, and indeed there are some amendments being made under the Ontario Securities Act, to try to stop this type of conversion that would absolutely do an end-run around the rights of converting units from rental to condominium.

I am not prepared to make amendments to the Planning Act to stop this type of work but we believe it can be done through the Securities Act. As the two ministries continue to do their review between now and March, we intend to report back to cabinet.

Mr. Philip: Is the minister not aware the Ontario Securities Act is an interim regulation which will only be in effect until March 31, 1983, and that it has very liberal guidelines for allowing exemptions?

What has the Ontario Securities Act done so far for the tenants who have faced eviction from a 63-unit apartment at Lonsdale Avenue in Toronto, a 60-unit apartment in Ottawa and a 35-unit row house development in Ottawa? What is it going to do about the 117-unit building in Ottawa that is now being prepared for conversion? Can the minister explain how, in seven years of working on the Planning Act, he has failed to plug this hole by an amendment to that act?

Hon. Mr. Bennett: I do not think it was a matter of plugging a hole at all. It was a matter of looking at planning in its true sense in this province and how we achieve certain types of development in Ontario. It is not our intention—and I do not think the member is really speaking for all of the people of Ontario by any stretch of the imagination—to try to block condominiums in this province. It was never the intention of the Planning Act to do so; never.

I am fully aware of the facts, and I think I said in my last answer that we were reporting back to the cabinet in the early part of 1983 in relation to those things we were asked to review under the Ontario Securities Commission.

We have said clearly that some companies, and I admit to it, had been able to go through the Securities Act and find a way around the condominium conversion problem. I suppose as long as we have well-qualified, well-trained and well-educated legal counsel in this province, they will continue to review certain acts of

parliament, whether they be of this Legislature or the federal Parliament, in trying to advise their clients on how to achieve the end results they particularly want.

That is exactly what was achieved, I guess, by the corporations the member referred to in the city of Ottawa and here in Toronto. I think as well there are one or two other jurisdictions in Ontario that have had some advice by their solicitors as to how to get around the problem of converting units from rental to condominiums.

We are indicating very clearly that we do not believe you can try to turn back the clock and say you cannot do this when they had full legal right to do what they were doing at that point. The municipalities involved have asked this government to try to find some way, through the Securities Act, whereby one has to qualify under a certain price level to create a co-op sort of unit, in order to find some way of stopping up that particular situation.

But let me make it very clear: I have never received the message from any municipality that they wanted this government to cut off the opportunity for condominiums in their community.

Mr. Philip: On a point of order to correct the record, Mr. Speaker: I have never suggested that any municipality said it was against condominiums; nor this minister. What I put on the record was that the Minister of Municipal Affairs and Housing should do something to prevent tenants in his own area from being thrown onto the streets by unscrupulous developers; that is the practice I am against.

Mr. Roy: Mr. Speaker, is the minister prepared to give his undertaking that new legislation will be in place before the other legislation runs out in 1983? Would he make this commitment to the House in view of the fact that Ottawa has a vacancy rate which is the lowest in the country?

I would ask the minister as well to consider that the legislation obviously cannot be retroactive, because it would probably be struck down by the new Charter of Rights. Would he therefore give his undertaking to the House that something will be in place to meet what he calls an "end-run"? I do not call it an end-run, actually; it is a situation where people are saying, "It is legal to do what we are doing." Would he give his undertaking that he will have something in place before his other legislation runs out in 1983?

Hon. Mr. Bennett: Mr. Speaker, I cannot give

that undertaking at this point. I would only suggest very sincerely to the honourable members of this House that if we are not in a position to bring in a bill or take some other action, then we will likely seek, through the Minister of Consumer and Commercial Relations, an extension to the provisions under the Ontario Securities Act to cover a longer period of time than was originally our intention.

Mr. Cassidy: On a point of privilege, Mr. Speaker: I distinctly heard the minister say that he was unaware of any municipality that was seeking to block these conversions to condominiums. Is the minister not aware that the city of Ottawa was consistently blocked by this ministry in its efforts to—

Mr. Speaker: That is not a point of privilege, with all respect.

GRAND RIVER WATER QUALITY

Mr. Gillies: Mr. Speaker, my question is of the Minister of the Environment. The minister will be aware that in the early hours of Monday morning some 5,000 gallons of propylene oxide was either leaked or dumped into the Grand River by Hart Chemical Ltd. in Guelph. My question is really twofold. First, can the minister tell me what impact the ministry has determined this will have on the environment of the Grand Valley between Guelph and Brantford? Second, and really more important to us in Brantford, can he tell us what possible adverse effects this might have on the security of our drinking supply, as Brantford and a number of other communities downstream from Guelph take their drinking water from the Grand River?

Hon. Mr. Norton: Mr. Speaker, in response initially to the concern about the security of the water supply in the communities of Brantford, Cayuga and Caledonia, let me say that the ministry in co-operation with the Grand River Conservation Authority, as soon as we became aware of the incident, immediately tracked the movement of the plume down the river and timed it so as to determine the precise time at which it might arrive at those three communities.

Each of the communities was fully informed and, in consultation with the medical officer of health, not because of any immediate concern about a health hazard resulting from this to the communities but, rather, as a precautionary measure, it was decided the community of Brantford would be advised not to draw its water supply from the river for a period of

potentially up to two days from the time the plume arrived in that area.

3 p.m.

It was determined that Brantford had two days' water supply in storage; so that did not present a problem in terms of a shortage of potable water to the community. The village of Cayuga had at least a day's supply of water in storage. Caledonia was in a somewhat better position in that out of four wells it uses as a community supply, only two were close enough to the river to be thought to present any potential risk.

Since 2:30 p.m.—in fact, within the past minute—I have received the results of the testing that has been done in the Brantford area, the plume having passed through that area. At this point, the testing done by our mobile unit indicates there is now no detectable level in the water in the Brantford area. As a further precaution, confirmatory tests will be undertaken immediately; if they concur with the results of the first, then obviously it will be all right for Brantford to resume taking its water supply from the river. Similar monitoring will be done at the other communities.

In terms of concern about a long-term impact, I point out to members that propylene oxide degrades rather quickly, over a period of about two days, and becomes a harmless substance, propylene glycol, which is commonly used as a food colouring and in cosmetics; so there is no concern at this stage of any long-term negative effects on the environment.

Mr. Gillies: I am sure the minister is aware, however, that propylene oxide is both volatile and toxic in concentration and that it does pose some concern to my constituents when the water supply is potentially shut off at the valve for two days when we have only a two-day supply in the canal beyond that valve.

In view of the fact that the same company either spilled or dumped dichlorine in some quantity in the same river in 1976—so this is not an unprecedented occurrence—will the minister tell me whether the circumstances surrounding this particular spillage will be investigated fully by the ministry and whether he will consider the necessity of charges under the Environmental Protection Act?

Hon. Mr. Norton: First of all, I was aware that there immediately arose what is, as far as I am aware, a rumour of an earlier spill from this same company. As of this point in time, I have

not been able to confirm this, although I have had our regional staff try to check it out.

With respect to investigating whether there are any violations under our legislation, I can assure the member that from the time we became aware of this, our special investigation unit has been on site. The determination as to whether charges will be laid obviously must wait until I have received their report, although I can assure the member that if there is any evidence to support the laying of charges, this is clearly a situation that would merit that action.

Mr. Kerrio: Mr. Speaker, the minister knows our ongoing concern about any kind of chemicals getting close to the major water supplies in this province. I wonder whether he has anything in legislation or regulation that is going to put some kind of containment between any kind of chemicals and their reaching some of our waterways through the drains.

Is he considering anything so that these companies will have to put in some kind of containment, such as the earth mounds they put around large gasoline tanks? I would suggest they could do something within a plant to guarantee containment, in the event of a spill, so that it would not end up in one of our waterways before someone found out about it and did something to prevent our waterways from being poisoned.

Hon. Mr. Norton: Yes, Mr. Speaker. That already has been done in some instances—where it is known there may be a risk at some point of a hazardous material finding its way into either the sewers or the waterways—by putting in holding devices that would retain the material in the event of a spill.

Mr. Kerrio: How did this happen?

Hon. Mr. Norton: In this particular instance, it appears this was the result of a faulty valve, which leaked into a specially constructed sewer, and it was not detected by the staff over a period of what would appear to be as long as nine hours. Obviously that raises some questions in my mind, as I am sure it would in the honourable member's.

The problems related to propylene oxide may be somewhat different because of its volatility. Containment may not be a very clear option, because it is so volatile as to be explosive.

When the honourable members ask about the question of toxicity, it is also important to bear in mind that the toxic levels of this material run in the range of a ratio of one ounce per 100 pounds of body weight. There is absolutely

nothing remotely approaching that kind of concentration. We are talking of a maximum concentration, once the plume reached the Brantford area, for example, of five parts per billion. So there is quite a remote possibility of its reaching toxicity.

Ms. Copps: It may be okay for the people of Brantford, but you'll kill everybody in Guelph. What about the people in Guelph?

Hon. Mr. Norton: Listen, mouthy, just keep things in perspective.

Mr. Speaker: Order.

Mr. Riddell: Mr. Speaker, I have a question for the Minister of Agriculture and Food. As he is taking his seat and before the students get away—

Mr. Speaker: Having regard for the time, I think you should ask your question.

Mr. Riddell: —I would just like to say to the students that members are not totally ignorant about geography. It is really the Speed River that runs through Guelph, not the Grand River. I am sure the member for Brantford would want me to make that correction.

Mr. Gillies: Mr. Speaker, on a point of privilege: I am sure the honourable member will be aware that the Speed River flows into the Grand River where it eventually reaches the great community of Brantford.

MINING ACT REVISIONS

Mr. Riddell: Mr. Speaker, my question to the Minister of Agriculture and Food concerns proposed revisions to the Mining Act, contained in a report of the advisory committee to the Minister of Natural Resources (Mr. Pope). Granted, this report does not fall within the jurisdiction of the Ministry of Agriculture and Food, but one of the proposals in it has serious implications for the farmers of Ontario.

This minister no doubt is aware that one of the proposals contained in those revisions would allow for the extension of an acreage tax on all lands in the province regardless of title, which would apply to the vast majority of the 15 million acres of agricultural land in Ontario since most farmers have dual ownership of mineral and surface rights. This would allow for forfeiture of those mineral rights to the crown where the land owner did not pay the tax or develop, explore or produce the mineral resources on his land.

Will the minister agree with me that the imposition of such a tax on all private land is simply unacceptable and nothing less than expro-

priation without compensation? Will he assure us that he will express his vehement objection to this recommendation in his discussions with the Minister of Natural Resources?

Hon. Mr. Timbrell: Mr. Speaker, as the honourable member knows, this has been the subject of a number of reports over the years. Most recently, my colleague the Minister of Natural Resources made a statement on the subject in this House on June 30 of this year, following which he sent copies of the advisory report, or whatever is the proper title, to a number of interested organizations around the province, including, in August, I believe, the Ontario Federation of Agriculture.

3:10 p.m.

I also believe that some of the points mentioned in the question just read to us are based on false information—I should not use the word “false”—on incorrect information.

Mr. Riddell: It's right in the report. Read the report.

Hon. Mr. Timbrell: If I may, I will refer the question to my colleague the Minister of Natural Resources, but the member may be sure that when the consultation process is completed, and it comes to the cabinet table and the committee table, the interests of the farmers of the province will be well represented by myself.

INTRODUCTION OF BILL

ELECTORAL BOUNDARIES READJUSTMENT ACT

Mr. Renwick moved, seconded by Mr. Laughren, first reading of Bill 187, An Act to provide for the Readjustment of Electoral Boundaries.

Motion agreed to.

Mr. Renwick: Mr. Speaker, the purpose of the bill is to provide for an orderly adjustment of electoral boundaries on a decennial basis by an independent commission appointed by the Speaker, composed of the chief election officer and one member nominated by each leader of a political party represented in this assembly.

There is no existing legislation making any provision for adjustment of electoral boundaries. The bill sets out the procedures to be followed and the circumstances to be taken into consideration in making its report to the assembly and provides for public hearings during the course of its deliberations. The number of northern seats shall be no fewer than the present number.

MOTION TO SET ASIDE ORDINARY BUSINESS

Mr. Boudria moved, seconded by Mr. Conway, pursuant to standing order 34(a), that the ordinary business of the House be set aside in order to debate a matter of urgent and public importance, namely, the announced closing of Canadian International Paper's 84-year-old mill in Hawkesbury, the closure of Interline Furniture, Tattner Textiles, Fashion Print and the temporary layoffs at Amoco Fabrics, Eastern Steelcastings, Ivaco Rolling Mills and many other closings and layoffs in eastern Ontario, and the effects that these will have on the already hard-pressed economy of eastern Ontario, in particular the resulting high numbers of unemployed, the increasing welfare roll, the disappearing farm land and the large number of farmers unable to farm productively and, in this context, to highlight the lack of any program by the provincial government to help eastern Ontario meet these difficulties and to discuss serious options this Legislature could take to solve these problems.

Mr. Speaker: I wish to advise all honourable members that this notice of motion was received on time. I am prepared to listen to the honourable member for up to five minutes as to why he thinks the ordinary business of the House should be set aside.

Mr. Boudria: Mr. Speaker, as an eastern Ontario member like myself, you no doubt will be aware of the grave situation the economy of our province and more specifically that of eastern Ontario has decayed to. There is the closure of certain plants I have previously named, Interline Furniture, Tattner Textiles, Fashion Print, the imminent CIP closure in Hawkesbury and the subsequent loss of 431 direct jobs in my riding as well as ancillary jobs. There are temporary layoffs and partial shut-downs. Industries such as Amoco Fabrics, Eastern Steel Casting and Ivaco Rolling Mills in our area are further examples of this.

The Speaker no doubt also will be aware that we have had other complete and partial company closures as follows: In March 1982, Euro Curtain Corp. of Cornwall; in the same month, Nabob Foods Ltd. of Ajax and R. M. Hollingshead Ltd. of Bowmanville; in May 1982, Pedlar Storage Products and T. G. Gale Ltd. of Oshawa; in June, Cornwall Spinners Ltd. of Cornwall and Bayly Engineering Ltd. of Ajax; in July 1982, Domtar Inc. and Domtar Construction Materials of Cornwall, Madawaska Mines in

Bancroft—which you no doubt recall, Mr. Speaker, was so very thoroughly discussed in this Legislature—Breithaupt Leather Ltd. in Hastings, Goman Boat Ltd. in Midland and Robson-Lang Leathers Ltd. in Cobourg.

Those are only a few examples, Mr. Speaker, which I am sure you will understand make this debate very urgent, very pressing and very important.

I want to outline briefly for the honourable members of this House the unemployment we have in eastern Ontario. When I refer to unemployment, I refer only to the Unemployment Insurance Commission claims, because many people have exhausted their unemployment and are no longer part of the statistics if they are not seeking employment.

The Hawkesbury area has had an increase of 95 per cent in unemployment since last year; Bancroft, 96.3 per cent; Pembroke, 32.6 per cent; Picton, 70 per cent; and Peterborough, 39.1 per cent. I am sure, sir, you will know just how important some of those statistics are.

In 1979 in Hawkesbury there were 56 housing starts—and I hope the Minister of Municipal Affairs and Housing (Mr. Bennett) will listen to this—in 1980 there were 27 housing starts, in 1981 there were 15 housing starts and in 1982 we are down to seven housing starts.

Further, this grave economic situation has had very serious repercussions on our farming community. As you no doubt are aware, Mr. Speaker, the provincial average for the decline in the number of farms since 1971 is 12.9 per cent. In eastern Ontario the number of farmers has declined at a rate of 16.2 per cent, well above the provincial average.

Members of this Legislature may think that if the number of farmers is declining it is not necessarily a bad sign, because it may mean the acreage is not changing. That is not the case. The acreage in the province has declined by 6.5 per cent over the same period, but in eastern Ontario it has declined by 13.9 per cent.

The welfare rolls: In Brockville, welfare has increased by 43.4 per cent over one year; in Hawkesbury, 26.5 per cent; in Cornwall, 27 per cent; and in Bancroft, 22 per cent.

I want to relate very briefly the number of farm bankruptcies. As we know, there have been 344 farm bankruptcies from January to October 1982 in this country. Of this number, 145 were in Ontario, a large number of those from the area you and I represent, Mr. Speaker. The number of farm bankruptcies in livestock,

which is a very important activity in my constituency, was 67 from January to October 1982.

The economic situation of eastern Ontario has never been anything like that of the rest of the province. It has further deteriorated to such a point that it requires an urgent debate to discuss solutions to these very great problems.

3:20 p.m.

Mr. Samis: Mr. Speaker, I want to inform the honourable members of the House that we on this side will support the motion and, coming from eastern Ontario, I can wholeheartedly agree with the points made.

It is true that we are a traditional slow-growth area, but I must point out that there is a growing sense of alienation in eastern Ontario because of the economic malaise and high unemployment. It is not just confined to Hawkesbury; it affects every major community in eastern Ontario.

In my own community, for example, we have an unemployment rate beyond 15 per cent. This year alone, we have lost, or will be losing by the end of the year, six plants. These are not just layoffs; the following plants will be closed completely: Cornwall Spinners and Riverside Yarns, 500 jobs down the drain; Atlas Hoist, 36 jobs; Domtar Construction Materials, 80 jobs gone; Celanese, closing in December, 25 jobs gone; Besner and Sons, closed and gone out of the province, 71 jobs.

It is not just the plants that have closed. We also have companies such as Sovereign Products, which eight or nine years ago was employing 450 people and today is down to 15 employees. We have others that are on work-sharing. I dare say that in our textile and garment industry in Cornwall, the vast majority of plants now are on work-sharing, whether it be Levi Strauss, an extremely well-known company, Morbern or F and B Clothing. This is the norm now; this is not the exception.

My colleague has referred to the welfare situation. In my own community in July there was a 52 per cent increase in the number of single employables on welfare. So far this year, we are talking about a 27 per cent increase in my own community. An ominous note is that last week one of the Roman Catholic churches announced it was opening a soup kitchen to deal with the problems of people who just cannot cope with the economics of our situation.

This is not confined to Cornwall or Hawkesbury. The honourable member referred to the statistics in Brockville, where there has been a 43 per cent increase in the number of welfare recipients; in Pembroke, a 33.2 per cent

increase over last year; in Kingston, a 16.39 per cent increase compared with last year.

The member also referred to UIC statistics, and I will not repeat the ones he gave. But even in Ottawa, compared with last year, there has been a 23.7 per cent increase in recipients; Cornwall, 21.6 per cent; Pembroke, 36.5 per cent; Kingston, 48.1 per cent; Belleville, 26.1 per cent; Brockville, 19.8 per cent; and Picton, 70 per cent. That is without even mentioning the situation in Bancroft.

It is very clear that the recession has rooted deeply in eastern Ontario. We are faced with bankruptcies, layoffs, work-sharing and increased welfare. They are the norm; they are no longer the exception.

My colleague referred to the agricultural situation, which is no better. We have no clear-cut development strategy for eastern Ontario and no clear idea of where we are going. There is no overall plan whatsoever for the economic development of eastern Ontario. We see a continuing trend towards centralization, whether it be private investment or the locating of new industries. We see no major new initiatives in the tourist industry in eastern Ontario.

In the pulp and paper industry, we have blown \$100 million to the plants around the province at a net loss of more than 800 jobs in that industry. The Board of Industrial Leadership and Development program has no meaningful impact in our part of the province. Yesterday's announcement by the Treasurer (Mr. F. S. Miller) is a mere drop in the bucket, compared with the problems we have.

In closing, I want to make a point to my colleague from Hawkesbury. We will not have jobs, growth or development if we have people in Ottawa supporting tight money policies, high interest rates and Reaganomics.

Mr. Speaker: One minute.

Mr. Samis: Eastern Ontario will not grow under those kinds of policies. Eastern Ontario will not grow if that party over there is going to support a policy that takes purchasing power from the pockets of the people of eastern Ontario. Jobs are created when people have money to spend. Eastern Ontario will not grow and we will not get jobs unless that party over there supports basic structural changes in the overall economy of Ontario so that we get true regional economic development.

We will support the motion, but I wish the members to my right would support the idea of

bringing down interest rates and would get their federal friends to get moving on the job situation.

Mr. Speaker: The member for Armourdale.

Hon. Mr. Walker: I think he is just leaving.

Mr. Speaker: The Minister of Industry and Trade.

Mr. R. F. Johnston: What about the member for Quinte (Mr. O'Neil)?

Mr. Speaker: He stood at the wrong time.

Hon. Mr. Walker: Mr. Speaker, in rising to address the nature of the resolution that has been put before us by the member for Prescott-Russell (Mr. Boudria), I have to say that there is not one person in this House who does not share the kinds of concerns raised by the honourable member about some of these companies. There is no one in this House who does not have the same interest in seeing an attempt to reverse our economic situation.

When we concern ourselves about unemployment or the economic situation today, the nature of our economy and the worldwide aspect of it, the fact that we have a downturn of dramatic and significant proportions, there is no question that we all share equally the very concerns expressed by the member for Cornwall (Mr. Samis) and the member for Prescott-Russell. However, we do not feel that an emergency debate is warranted at this time.

Some hon. members: Oh, oh.

Mr. Cassidy: Crocodile tears; that's what it is.

Hon. Mr. Walker: If members will just listen for a moment, I want to express the reason we feel an emergency debate, causing us to put aside the business of the House, is not necessary at this moment.

Today we are looking at Bill 127, An Act to amend the Municipality of Metropolitan Toronto Act. The Minister of Education (Miss Stephenson) has brought that bill in, and it is very important that it be dealt with. The reason we are not as concerned—

Mr. Martel: What has that got to do with eastern Ontario?

Mr. Foulds: Jobs in eastern Ontario are very important too.

Mr. Speaker: Order.

Hon. Mr. Walker: Let me not take away from the concern. Let me merely say—

Mr. Boudria: Why don't you allow the debate then?

Mr. Swart: Your actions speak out loud.
Interjections.

Hon. Mr. Walker: I wish the members would just pipe down for a moment and allow me to finish a sentence. I was very quiet and listened to everything said by the gentleman from the party opposite. I request the same courtesy.

Mr. Cooke: If you had listened, you wouldn't oppose the motion.

Mr. Speaker: The Minister of Industry and Trade has the floor.

Hon. Mr. Walker: As it turns out, by coincidence this is the day of my estimates. Tonight we will be spending two and a half hours on my estimates, and I invite the member for Prescott-Russell to substitute on the committee so he can come there and share with us some of the concerns he is raising about specific companies. I ask the member for Cornwall to substitute tonight so he too can present his views. If there is not sufficient time tonight in two and half hours to go through the entire matter, we have another three hours tomorrow morning and another two and a half hours on Thursday night when we can deal with these very specific questions.

Of course we are concerned about industrial composition. Of course we are concerned about the shutdown of plants. But we must realize there are a good many companies remaining open. The member might address the issue of CIP, which he mentioned, and tonight would provide an opportune moment.

I looked at the names of the companies listed in the notice of motion, and I could not help but notice that one was closed last March and another one last December. So I question the urgency that is attached to it. Perhaps some of the matters should be dealt with in a more direct way. With one of the companies mentioned, a new company took over, started it over again and there has been no net change of jobs.

In suggesting that we might look at this question from the point of view of our estimates tonight, may I invite the members to participate in the discussion there? Then perhaps the member for Prescott-Russell can tell me how he would solve the problem of the CIP plant in Hawkesbury, given that the plant is 84 years old and makes Cellophane, which today has become a product in lower and lower consumer demand and has been replaced by other technology. I would like the member to share those thoughts with me.

We have set up a variety of things in trying to address the issue. We have programs for eastern

Ontario, one of them being the Eastern Ontario Development Corp. Since the inception of the EODC, there have been 998 loans and guarantees totalling \$159.4 million, as a result of which it is estimated some 26,000 jobs will be created after five years.

Mr. Speaker: The minister's time has expired.

Hon. Mr. Walker: I am sorry I cannot finish this dissertation, but I want to indicate to the members that tonight will be a very opportune time to discuss this matter.

Interjections.

3:30 p.m.

Mr. Speaker: Order, please. I have listened carefully and intently to the arguments put forward by the members on all sides and actually I can find nothing wrong with the motion. It is obviously a matter of great concern and I find, therefore, in favour of the motion. The only question before the House is, shall the debate proceed.

4:37 p.m.

The House divided on the question, "Shall the debate proceed?" which was negated on the following vote:

Ayes

Allen, Boudria, Bradley, Breaugh, Breithaupt, Bryden, Cassidy, Charlton, Conway, Cooke, Copps, Cunningham, Eakins, Edighoffer, Elston, Epp, Foulds, Grande, Haggerty, Johnston, R. F., Kerrio, Laughren, Mackenzie, Martel, McClellan, McGuigan, McKessock, Miller, G. I.;

Newman, Nixon, O'Neil, Peterson, Philip, Rae, Reed, J. A., Reid, T. P., Renwick, Riddell, Roy, Ruprecht, Ruston, Samis, Stokes, Swart, Sweeney, Van Horne, Wildman, Worton, Wrye.

Nays

Andrewes, Ashe, Baetz, Barlow, Bennett, Bernier, Birch, Cousens, Cureatz, Davis, Dean, Drea, Eaton, Elgie, Eves, Fish, Gillies, Gordon, Gregory, Grossman, Harris, Havrot, Hennessy, Hodgson, Johnson, J. M., Jones, Kells, Kennedy, Kerr, Kolyn, Lane, Leluk;

MacQuarrie, McCaffrey, McCague, McLean, McMurtry, McNeil, Miller, F. S., Mitchell, Norton, Piché, Pollock, Pope, Ramsay, Robinson, Rotenberg, Runciman, Scrivener, Sheppard, Shymko, Stephenson, B. M., Sterling, Stevenson, K. R., Taylor, G. W., Taylor, J. A., Timbrell, Villeneuve, Walker, Watson, Wells, Williams, Yakabuski.

Ayes 49; nays 63.

NOTICE OF DISSATISFACTION

Mr. Speaker: Pursuant to standing order 28, the member for Riverdale (Mr. Renwick) and the member for Ottawa East (Mr. Roy) have given notice of their dissatisfaction with the answers given by the Attorney General (Mr. McMurtry) to the members' questions on the Proverbs matter. This matter will be debated at 10:30 p.m. this evening.

ORDERS OF THE DAY

House in committee of the whole.

MUNICIPALITY OF METROPOLITAN TORONTO AMENDMENT ACT (continued)

Resuming consideration of Bill 127, An Act to amend the Municipality of Metropolitan Toronto Act.

On section 6:

Mr. Chairman: I think we are dealing with section 6, the minister's amendment to Bill 127. As I recall, the member for Beaches-Woodbine (Ms. Bryden) had concluded her remarks.

Interjection.

Mr. Chairman: She had not completed? No. She is not here. There are a number of other people who would like to have some input, to my understanding. I cast my eyes to the official opposition, and I see no one jumping up.

Mr. R. F. Johnston: Mr. Speaker, I am pleased to rise. Speaking to the amendment to section 6, as I recall, it was to strike out a portion that brought some fairness to the notion of what would be done with surpluses, something which the minister agreed to in committee; she agreed that she had been wrong before and that her initial wording was unjust.

Now she has decided, through some kind of mysterious pressures, God knows what, it is always hard to understand what pressures affect this particular minister, but she has decided that she would like to go back to inequity again and she would like to impose a larger burden on certain of the municipalities in Toronto and less on others, and she would also like to make sure she is at least consistent in whomping the city of Toronto again in this amendment.

Just to remind the members of the Legislature, many of whom I do not think have been here in past debates, what this is doing, this is being placed in lieu of subsection 127(4), which at the moment says that if they have a surplus they will be able to receive "an amount that, in the opinion of the school board, is equal to the

portion of the surplus that was raised by local taxation in the area municipality." That is now being replaced with "an amount that does not exceed the amount of the surplus, and in determining the amount of the reduction in the apportionment the school board shall give consideration to the circumstances that, in the opinion of the school board, contributed to the size of the surplus."

That essentially allows the Metropolitan Toronto board to make a decision that could give the local board the entire amount of their surplus back even though the vast majority of it may not have been raised in that particular jurisdiction but may have come from another jurisdiction—and I reiterate, probably the city of Toronto, which contributes about 40 per cent of the cost. So a borough like East York or York could now maintain the total amount of a surplus within that municipality to the detriment of the city of Toronto. That is what is being proposed to make this bill better than it was before, if you can imagine it.

As I said, it would be very interesting to hear from the minister at any point why she felt she was wrong in the hearings when she decided she agreed with people that this was unjust, that this placed an unfair burden on—

Hon. Miss Stephenson: I did not say that.

Mr. R. F. Johnston: The minister says she did not say that. The minister did not agree that she would strike out—

Hon. Miss Stephenson: I did not say it was unjust. I did not use the words you are putting in my mouth.

Mr. R. F. Johnston: What was your reason, then, for deciding during the hearings that this section should be changed? I have a quote here somewhere, I think. No, I do not seem to be able to find it.

Perhaps the minister might be able to explain to us why she has changed her mind back and forth. Perhaps it would make it easier for me to continue my remarks if I had some understanding of why we have now gone back to the original position. It is not in her statement of the other day when this amendment was presented.

Hon. Miss Stephenson: Yes it is.

Mr. R. F. Johnston: It is?

Hon. Miss Stephenson: Yes.

Mr. R. F. Johnston: Oh, yes. In the minister's statement on page 5214 of Hansard last week, Tuesday, November 16, she explained why she changed her mind again. Did she not agree in

committee to return it to the position where it would be equal to the portion of the surplus that was raised by local taxation in the area municipality? Why has she now decided to go back to the original point?

Hon. Miss Stephenson: Read the Hansard of the committee.

Mr. R. F. Johnston: Of the committee, or of last week?

Hon. Miss Stephenson: No, of the committee.

Mr. R. F. Johnston: I will go back and read Hansard some time over the supper hour so that this evening, or perhaps on Thursday or next week when we are discussing this same clause I will be able to comment on that.

This notion of the amendment that is being placed to change again the wording of subsection 4 is in my view just another attack on the city of Toronto. It is also a reward by the government for underspending, not for good budget control. And it is a move by the government of Ontario to force its cutback policy, in terms of the provision of funds in education, on to other municipalities. It is an extension of that policy which we have seen over the last number of years, and it is the kind of thing that will gradually diminish the quality of education in other boards around Metropolitan Toronto.

I would like to argue those cases, if I might, as to why, therefore, this particular amendment is so unfair. The Toronto Board of Education provides a great deal of money towards the overall levels of education in Metropolitan Toronto.

4:50 p.m.

I will read members a brief portion of a presentation made to the standing committee on general government by the Toronto Board of Education. On page 7, they are talking about this particular problem of the surplus and the Toronto board being penalized in this fashion: "This means that the large assessment base in the city of Toronto provides much of the money used to maintain and operate the school systems in the other five area boards. Currently, 40 per cent of the money raised for education in Metro is raised in Toronto, while only 28 per cent is spent in the city. Over the past 10 years, that gap has widened steadily and has meant that over \$360 million has been raised in the city of Toronto and spent elsewhere."

The member for Wilson Heights (Mr. Rotenberg) says it is because of the industrial assessment. Of course, it is. I do not deny that. I am saying that within one of the jurisdictions in

Metropolitan Toronto, the city of Toronto, the resources for the costs of education are picked up to a much larger degree than in other areas. Therefore, it is that jurisdiction which is the important matter. It does not matter whether it is a home owner or a business in that community.

The city of Toronto has been providing 40 per cent of the revenue for education at the municipal level in Metropolitan Toronto while spending 28 per cent. The member for Wilson Heights is saying that comes from the industrial and commercial tax base in the city of Toronto. I agree that a large part of it does. But what happens when a board underspends that which it has budgeted, whether it is the Scarborough board or the East York board or the York board? They underspend what they estimated at the beginning of the year, and now, under clause 4, as the amendment suggests, they would be able to get back the entire amount of that surplus, even though it is very likely that one of the smaller boroughs, like York or East York, would only have produced a very small percentage of the income that was there for their budget in the first place.

A good thing about the clause as it stands is that it would allow only that portion of the surplus that was raised by local taxation to go to that local board. That makes a lot of sense. What we are essentially doing is saying to somebody in East York or Scarborough: "Yes, you have overestimated your budget or you did not spend money that you properly estimated. Because you have done that, we will take money from the city of Toronto and give it back to you."

Hon. Miss Stephenson: That is nonsense.

Mr. R. F. Johnston: What do you mean that is nonsense? That is exactly the case. I suppose the minister will explain to me why that is nonsense.

Hon. Miss Stephenson: I explained it the other night when you were not here.

Mr. R. F. Johnston: I will make my argument without the helpful interjection of "Read Hansard," which is a punishment that none of us should have to undertake too strongly, except for my speeches.

Interjection.

Mr. R. F. Johnston: That is a very helpful addition from the Minister of the Environment (Mr. Norton).

Mr. Chairman: Let us ignore the interjections and speak to the proposed amendment. The

Minister of the Environment is not making life any better with his interjections.

Mr. R. F. Johnston: Would the Minister of the Environment like to rise and tell me why it is not the case that Toronto would not be receiving any of this revenue under this present situation? With the amendment, the borough of East York could maintain 100 per cent of the surplus in East York. That is clear in this amendment. By the previous unamended clause, the borough would have received only a portion of that amount, a portion up to the amount it raised through local taxation. The rest would go back to the Metropolitan Toronto School Board. It would not stay with the East York board. That is self-evident and I have seen nothing in Hansard or heard anything in any of these debates that would detract from that.

My argument is, that is fundamentally unjust. The Toronto board has been attacked by this minister as continually running up deficits, spending money wantonly and not thinking about the needs of the taxpayers of that community. It has subsequently been re-elected in great force and in larger numbers than before.

Hon. Miss Stephenson: A smaller percentage of the population voted than in 1980.

Mr. R. F. Johnston: I am so pleased to note that the Minister of Education has just viciously attacked the Minister of Municipal Affairs and Housing (Mr. Bennett). She has said his advertising campaign was a failure.

Interjections.

Mr. Chairman: Speaking to the amendment.

Mr. R. F. Johnston: She has attacked him when he is not in the House. It is just outrageous, if one can believe that.

Mr. Chairman: Speaking to the amendment.

Mr. R. F. Johnston: Someone has to leap to the defence of the minister if the members on the other side will not.

Mr. Chairman: Restrain yourself. Speak to the amendment.

Hon. Mr. Norton: That was not true outside Toronto.

Mr. R. F. Johnston: Exactly. In other words, what the minister is saying is not only were the New Democrat trustees re-elected in larger numbers, but the opposition could not even get out as many people as it had before. I am sure that is the logical extension of what she is saying.

Hon. Miss Stephenson: I'm not sure you could consider it a mandate.

Interjections.

Mr. R. F. Johnston: The Liberals are very active in municipal politics. They are doing it just as surreptitiously as possible, which is wise when you have to carry the Liberal banner these days.

Mr. Cassidy: Spensieri was not surreptitious. Interjections.

Mr. R. F. Johnston: I would say to the member for Parkdale (Mr. Ruprecht), some of you do not have to try to be surreptitious, it is true. It is just a natural kind of thing.

I would like to return if I might to the question of surpluses and deficits and the accusation that has been made against the city of Toronto. I would like to argue that it is not a question of them being wantonly bad budgeters, but that they have been approaching education with a very different philosophy from the Minister of Education. That is why they are under attack at the moment.

Government at this level has been involved in trying to diminish the amount of money put into education, and is putting in less money on a per capita basis than it has in the past, when one looks at the rise in inflation. This is in direct opposition to a board that is trying to maintain the quality of education; that is essentially what is going on and that is what is behind this attack.

Mr. Kolyn: What does Scarborough think of all this?

Mr. R. F. Johnston: I would like to spend a fair amount of time attacking the Scarborough board and I intend to.

Mr. Kolyn: Yes, do; put it on the record.

Mr. R. F. Johnston: I will.

Interjection.

Mr. R. F. Johnston: It is not my constituents, I would argue, but a group of trustees who have not been doing their jobs.

Mr. Kolyn: They were elected the same as you were.

Mr. R. F. Johnston: They were indeed, but unfortunately without the major fights on Bill 127 there should have been in terms of public input.

Mr. Kolyn: What is Scarborough's position?

Mr. R. F. Johnston: It is very difficult to ignore these asides, Mr. Chairman.

One of the real problems in a place like Scarborough in comparison with Toronto is that there is very little parental involvement in the decision-making in the schools. I have a principal in my school who has been forcing a

couple of women out of trying to form a parents' association, if you can believe it, saying they will be nothing but troublemakers. That is an ancient concept.

Mr. Chairman: Moving with great speed back to the amendment; the member for Scarborough West is making life very difficult for me.

Mr. R. F. Johnston: Is it me who is doing that?

Mr. Chairman: Yes. You are not speaking to the amendment. You keep responding to interjections.

Mr. R. F. Johnston: I see a weapon on your right-hand side, Mr. Chairman. I would encourage you to halt these interjections which make me stray from the course because I want to speak to this amendment.

Mr. Chairman: I know you do.

5 p.m.

Mr. R. F. Johnston: I am trying to speak to this whole question of surpluses. If I can go back to the argument—

Mr. Kennedy: Have a go.

Mr. Chairman: Order.

Mr. R. F. Johnston: I want to deal with the question of whether or not a perceived deficit is bad administration, bad policy by a board of education—

Hon. Mr. Norton: I say you are straying.

Mr. Chairman: The minister has raised the point that you are on the wrong section.

Mr. R. F. Johnston: I am not at all. I hope that I can talk about deficit and surplus as two sides of a coin. At the same time, Mr. Chairman, I do not intend to make major arguments on deficit. I am trying to say that the notion that we will reward, in undue fashion, boards that bring in surpluses, which is what this amendment does, in my view is an attack on a particular board which, it is true, has not had many surpluses of late.

If you look at the breakdown which was presented by the Toronto Board of Education, if you look at the list for the 10-year period from 1971 to 1981 of those who have had surpluses and those who have had deficits, you will understand that at various times various boards have had deficits and at various times they have had surpluses. It has not always been the city of Toronto.

I would argue that to unduly reward the notion of surplus is a dangerous thing to do in terms of policy, program and the quality of education that we want. That is what this

particular amendment is doing. It would be some reward, some recognition of the fact of partial ownership of the resources of a community if they were given back that amount of money which they had raised, but to say that they could have the total amount which they have in a surplus is, in my view, to punish the other—

Hon. Miss Stephenson: That is not what the amendment says.

Mr. Kolyn: Not according to the Scarborough board.

Mr. R. F. Johnston: Well, might I read the amendment again and ask for a clarification, because the minister says that is not what the amendment says? If I can come to the last part of it, the amendment says, "an amount that does not exceed the amount of the surplus." Right? This means, I would presume, right up to that maximum allowed of the surplus. Does it not? If I am not—

Hon. Miss Stephenson: It is a possibility, not a fact.

Mr. R. F. Johnston: Yes; but who makes the decision? The decision is made by the Metro board, as I understand it. But they have the potential of giving back to an individual board more than they have raised in their own taxation. Surely, that is the essential difference between what we have in the original clause and what we have with this amendment. That is moving to something which has to be seen as basically unfair and which obviously is going to be affecting the board that puts in the most money. The board that puts in the most money, again, is the city of Toronto, which puts in 40 per cent of the money involved.

It is interesting to put this in the context of an extension of this government's view of cutbacks and the need to reduce the amount of money that is going into education at the local level, Mr. Chairman. If you reward a surplus, and therefore reward underbudgeting, essentially you are urging boards to spend less money on education, it strikes me. I think that follows. This is something we can also see as being the policy of this government over the last number of years. The amount of money on a per-student basis that has been provided by Ontario has been diminishing in recent years in comparison with the amount that has been put in through the municipal tax base.

I quote from a paper entitled, Education Finance in Ontario: Issues in the Current Debate, prepared by a number of people in Toronto—

Mr. Jeffrey Patterson of the Social Planning Council of Metropolitan Toronto and David Wolfe of the Department of Political Economy of the University of Toronto, in particular. On page 7, the point is made that when we examine provincial funding on a per pupil basis, the level has fallen steadily since 1975. The data in table 5 indicate that in the period from 1975 to 1981, provincial funding of students in the Metropolitan Toronto School Board rose from \$546 to \$655 on a per pupil basis, a rise of 20 per cent.

During the same period, the level of funding of students in the Metropolitan Toronto School Board provided by the Metro tax levy rose from \$1,053 to \$2,536 on a per capita basis, or by 140 per cent.

It is obvious that the Ministry of Education was passing on a message. They wanted to provide less money, and if more money was going to be put into the education system it would have to be assumed at the local level.

What we are now seeing is another pressure being put on the local boards by the government of Ontario to also reduce the amount of money they are putting in, for them to play the fiscal conservatism kind of game and to make compromises on maintaining schools, programs, teachers, reducing class size, those kinds of things; have a surplus and get some sort of an exponential reward for having done so.

The rise in the per pupil funding from the province was 20 per cent during that five year period. If we compare that with the amount of money we got from the gross national product in Canada, which increased 82.7 per cent during that period, we can see that there is an incredible diminution of provincial funding to the municipally run boards of education.

Those boards then tried to respond in terms of providing more money from their local bases.

The pressure on them has been considerable and I would suggest that those boards have tried very hard to hold their costs down. With the lack of money coming from the province, just to maintain programs they have had to raise disproportionate amounts of money from the municipal levy. Because of that, they are being put in a position of having to raise their local tax rates higher than they would like to, just to maintain the status quo. Therefore, they are in the position of trying to be conservative, given the kind of approach that they have to go to the people on, that is to go to the property tax, which is already overburdened, and many people are complaining of the level of funding for

education that is being asked of them in their tax bills.

This amendment is trying to deal with the problem of property tax and the amount of money for education that is going on to the property tax. It is trying to deal with it in this very backhanded way of encouraging these local governments to underspend their contribution to the tax system.

It is absolutely the wrong way to try to bring some kind of equality to how we fund the education system.

What we need to be doing is increasing the amount of provincial dollars that go in and decreasing the amount of municipal dollars that go in, instead of keeping down the level of funding from the provincial level at the same time as we start to force local government boards to show constraint.

I am suggesting that it is a very dangerous amendment for us to support for that reason.

Might I just go over some of the views about surpluses that have come forward in the past. A surplus in education budgeting has been known since the beginning of educational budgeting time.

5:10 p.m.

We can go back to the Goldenberg report in 1965, and find there a recommendation that the municipality of Metropolitan Toronto should assume the school debt. At that time they were dealing with a very different structure. The Lowes report in 1974 also dealt with the question of surpluses and thought of them primarily as a means of reducing the discretionary levy for boards that had used their discretionary levy and yet found themselves in a surplus later on.

Then there is the Robarts report, based on the innovative and, I hope, someday-to-be-accepted notion that we do not need the Metro board at all, that the Metro board gets in the way. This report suggested very rightly that the expenditures and servicing of debts would be assumed by each of the area boards to its own degree and the surpluses, in the same way, would fall to the boards themselves, given their own resources. That gets rid of the Metro board, instead of reinforcing the strength of the board in Metro, which is what we are doing in this bill and even in this amendment.

This amendment does not even say there must be some kind of formula to indicate that the amount a board gets back for its surplus would be equal to that raised by its local taxation. It is saying that the Metropolitan Toronto School Board shall give consideration

to the circumstances that have gone into this and the Metropolitan Toronto School Board will make the decision as to how much a board should get back.

I would suggest that if anything of past history shows itself to be repeated, we will find that there will be a bias by that board against the city of Toronto and in favour of some of the other boards. I personally do not wish to see the Metro board strengthened any more than it already is. I want to see it ended. I want to see us bring in that kind of legislation, not legislation that, to the detriment of local boards and especially to the detriment of the board in the city of Toronto, aggrandizes the Metro board so that it receives more power. If people from other regional areas saw this kind of legislation going through they would be very disappointed to see this power being taken away from the local boards in their own local areas.

Mr. J. A. Taylor: You are all for centralization. Your party stands for that.

Mr. R. F. Johnston: I am being informed of my party's policy now by the member for Prince Edward-Lennox. I called it Quinte earlier on and that is wrong. As an aside, because it is relevant and because you have not grabbed your gavel as yet, Mr. Chairman, the policy of my party on this matter is that we would like to see the Metro board done away with. That is our policy. I would like to make it very clear to you now. The member is shaking his head and looking confused.

Mr. J. A. Taylor: Are you an apologist for the Toronto Board of Education?

Mr. Chairman: Speaking to the amendment.

Mr. R. F. Johnston: Speaking to the amendment, that is right.

I was speaking about other approaches to dealing with surpluses and debts that have been proposed in other studies over the last number of years. I was dealing with the Robarts recommendation, which indicated that if we got rid of the Metro board, then the actual surpluses and debts of the individual boards could be assumed by those boards themselves. There would then be the real kind of local accountability that we are all looking for. The minister says she is, and I believe we are, in our own way. We just do not want a version of local autonomy to be brought in which would be to the detriment of one of the boards in particular. That is the way we are forced to see this legislation as it is proposed, and this amendment is reinforcing it.

In 1978, a committee on costs suggested that

all debts and surpluses should be put back to the Metro-wide base of assessment and not be dealt with at the local level. The most interesting report, and the one I want to use to tie into my theory that is just an extension of the cutback kind of approach of the provincial government in terms of overall education, is the Jackson report. Essentially, it recognized that individual debts in the system should not be laid at the feet of the local boards or overlapping boards but the responsibility should be laid at the feet of the Minister of Education; that there was a need for a return to the funding for education from the provincial level that we had seen in previous years and not that more and more of the weight of the burden of funding of education be placed on the local taxpayers.

To round out the listing of groups that have looked at this, I should also refer of course to the white paper produced in 1978, under the name of Mr. Wells, which spoke about the local area board being able to retain a surplus up to one mill for that particular board. I do not know exactly, and I would like to be informed by the minister, how that kind of an option would compare with the open endedness of this particular amendment which says only that it should not exceed the amount of the surplus.

Hon. Miss Stephenson: Certainly it is not open ended.

Mr. R. F. Johnston: It is not open ended. I suppose what I mean by open ended is there is a maximum of the one mill being placed on that; the maximum that can be placed on this is the total amount of the surplus. I am wondering how that would work out in some of these smaller boards. What would be the potential difference when one looks at the kinds of savings that might be made, the kinds of surpluses that might be found or have been found in the last several years?

Let us look at some of those surpluses from some of the boards, especially from Etobicoke and Scarborough. In the last number of years we have seen, in Scarborough in 1978, \$4,353,000; in 1979, \$3,180,000; in 1980, \$1,162,000; and in 1981, \$2,045,000. That is over \$2 million; over \$1.6 million; over \$3 million and over \$4.3 million surplus by that board; underestimating the predicted budgets, and then sending that money back to Metropolitan Toronto board. They felt good: they felt that they had in fact provided the best level of education they possibly could in that borough and that it was worthwhile sending that money back to the central body; something which I would like to

argue is not the case at all and this I will do later on.

The borough of Etobicoke has also had some fairly large surpluses in the last several years. In 1977, \$1,446,000; in 1978, \$2,661,000; in 1980, \$2,444,000; in 1981, \$904,000. These are very large amounts of money that would be sent back by these boards. Now, under the wording of this particular amendment, it is possible they could receive back the entire amount, which would then give them the break in terms of their local tax levy that would not be accepted later.

Let us just look at that for a second. The amount that Scarborough turned back in 1981 was \$2 million rounded out. If you were to say of that amount of money—perhaps the member for Oakwood (Mr. Grande) or the minister can remind me exactly what is the amount. Toronto pays 40 per cent of the overall cost. What does Scarborough pay? Is it 16 per cent? I cannot remember.

Mr. Grande: It is 14.99 per cent.

Mr. Rotenberg: People in Toronto pay it, the individual taxpayers pay their share.

Mr. R. F. Johnston: Let us not play with this. These are different jurisdictions and we know that as well. Yes, there are individuals who pay and, yes, they decide who they are going to elect and they have just decided that in each of these communities.

But the percentage that Scarborough picks up is about 15 per cent, I think, in terms of what it earns to put into this pot, which is then spread across Metro Toronto, whereas the city of Toronto assumes 40 per cent.

5:20 p.m.

Mr. Chairman, I have this for our information; for yourself and for me, being the two who are paying attention here.

Mr. Wildman: Oh, I'm listening.

Mr. R. F. Johnston: Thank you.

Etobicoke picks up 15 per cent, North York 23 per cent, Scarborough 15 per cent and Toronto 40 per cent, rounded out—York and East York are both under four per cent, 3.53 per cent in East York and 3.73 per cent in York—of the total levy raised in Metropolitan Toronto to fund education.

With this amendment what we would be seeing would be the possibility—with the approval of the whole metropolitan board, of course—of the Scarborough board receiving back perhaps the entire \$2 million to apply against their tax rate. In other words, they could come on as great heroes because they had saved this money.

If you look at it in proportional terms, they would have been saving 16 per cent of that money. In fact, a lot of that money came from all over Metropolitan Toronto and was not theirs.

Hon. Miss Stephenson: Scarborough is 18, Toronto 39 and North York 25.

Mr. R. F. Johnston: So if we were looking at that \$2 million—the minister is saying it is 18 per cent, but let us say we took it as high as 20 per cent of that amount—there is no way they should be receiving back the whole \$2 million; yet that is a possibility under this system. I would not be surprised, in view of the kinds of alliances that have been made, that that or something close to it might occur.

In my view if it did occur, essentially it would be taking money out of the pockets of other taxpayers who might just as well benefit from that municipality's decision not to spend the money as should the people of the good borough of which I happen to be a representative. It is an indication of why it was so wise for the minister before to move away from this particular notion. That is why it is so regrettable that she has decided to come back to it again.

It seems to me that what we do with a board like Scarborough is now to say: "You guys did pretty well before. You had these great savings, yet you were not able to reap the benefits. Now we have a new system for you; you can do even better. As trustees of the Scarborough board, you are going to be able to pass on to your constituents a greater saving because we are going to allow you, under this kind of amendment, a disproportionate amount of the credit for that surplus. You are going to be able to get a reduction, which you then are going to be able to play off, in political terms, both locally on the board, saying, 'Look at what we did' kind of thing; and, 'We are more responsible,' in playing yourselves and your electors off against those in the city of Toronto."

The government of Ontario is going to be able to do exactly the same thing. The government of Ontario will be able to say, "The city of Toronto is bad because it has spent its money plus a local levy and is in a deficit situation." Even if it has spent, God knows, 30 per cent of the amount of money—not the 28 per cent it has been taking out for the past number of years, but 30 per cent—even though it provided 40 per cent of the dollars, the government is going to be able to say they are evil and bad, while Scarborough—I forget what proportion it is spending, but it is higher; it is spending 20 per cent, is it not? I see

nods from somebody underneath the gallery; I cannot tell from this distance—is doing a good job.

Let us see how it is that municipalities like Scarborough end up with their surpluses, given that what we are talking about here, in rewarding them for doing so and therefore obviously encouraging them to have increased surpluses in the future, is to push this notion that maybe this money was better not spent anyhow.

How is it that year in and year out a borough like Scarborough or East York in its regular kinds of estimates, those it has already approved for the purposes of education in its community after considerable consideration and after having all the elements of the budget presented to it in many months of deliberations, ends up with these surpluses that it sends back? Is it just bad planning and bad administration?

I do not see how they can say it is good planning and good administration for them to have that much money left over. Surely it is a sign that they are not good budgeters; that, in fact, they are bad budgeters, that they should not be levying that kind of tax against their own people in the first place if they could have foreseen that they were consistently going to be sending back money to the Metro pot over the last number of years.

What happens, in my view—and I believe the member for Bellwoods (Mr. McClellan) raised this the other night—is that boroughs like my own, Scarborough, have failed to recognize the changing nature of the borough; they have failed to recognize the increased needs and increased similarities between their student population and that of the city of Toronto, they have not proceeded with programs in the same way as has been done in Toronto and they have not set the same kinds of priorities.

I think the Social Planning Council of Metropolitan Toronto has pointed out over the past number of years that there are fewer services available in the suburbs. Members may remember the report that came out, *The Suburbs in Transition*. I see members shaking their heads. It will remind them of it, then, a little bit.

The report *The Suburbs in Transition* came out to show that demographically many areas of the suburbs were quite like the inner city of Toronto, that the kind of ethnic mix and single-parent mix there as contrasted with the nuclear family mix, which was presumed to be stable in the suburbs and different from what it was in the downtown core of Toronto, was all a myth. In fact, there were great similarities, and

although in places like my riding there were huge areas of people who were—

The Deputy Chairman: I remind the honourable member that he could be getting off the amendment that is before the House at this point.

Mr. R. F. Johnston: I am talking about surpluses and how we get around to having surpluses.

The Deputy Chairman: Okay.

Hon. Mr. Norton: The only surplus I see at the moment is one of verbiage.

Mr. Foulds: You should know about that.

Mr. R. F. Johnston: A surplus of verbiage?

The Deputy Chairman: None of that, now, I caution the honourable minister and the honourable member—

Mr. Foulds: This member has to struggle; it comes to the minister naturally.

The Deputy Chairman: The problem I have with the honourable member who has the floor is that he should move towards the subject.

Mr. R. F. Johnston: I will remind you of the amendment, Mr. Chairman, and then show where I am going, if that would be helpful to you.

I am arguing that in this amendment, essentially we are rewarding the boards that develop surpluses by saying to those boards, "You can get back 100 per cent of that even if your taxpayers have not paid in 100 per cent of that."

Mr. Ruprecht: That is the injustice of it.

Mr. R. F. Johnston: Exactly. What I am then trying to say is—now I am moving further along, although I would be glad to go over some of that other material I have raised for you, Mr. Chairman—but I am now moving on to the question of how it is that boards like Toronto—

Mr. Foulds: I don't quite understand some of that.

Mr. R. F. Johnston: I may have to go back to it later.

How is it that boards like Scarborough and Etobicoke have consistently had surpluses?

Mr. Rotenberg: Good management.

Mr. R. F. Johnston: The member for Wilson Heights says, "Good management." But one has to ask whether it was good management or bad predicting.

Mr. Foulds: Like Hydro.

Mr. R. F. Johnston: Yes, Hydro; a great comparison. Why do they continually end up

with a surplus instead of just levying a tax on those people which would have been more appropriate? They have not given the benefits from those surpluses back to the people of Scarborough over the past number of years.

What I am trying to say, moving on from that, is that perhaps it is because there has not been a recognition by those boroughs of the kinds of school program needs that exist in those communities. I am also trying to refer to the report done by the social planning council about the way the suburbs have changed, which indicates that in point of fact we have inner cities in the suburbs now. In my riding we have—

5:30 p.m.

Hon. Miss Stephenson: Mr. Chairman—

The Deputy Chairman: The chair is most anxious to be patient and give the member every opportunity, but perhaps the minister wants to clarify something at this point and then we can proceed with the discussion.

Hon. Miss Stephenson: I just wondered if I could do it, that is all. I can do it later.

The Deputy Chairman: We are in committee; so the minister could do it at this point.

Hon. Miss Stephenson: Mr. Chairman, I think the honourable member should recognize that, first of all, he is objecting to a clarification of the original section of the bill that was supported with only one exception by the Toronto trustees at the Metro school board in June 1982. By clarifying this we are attempting to provide a balance, as I suggested earlier, between the procedure established for dealing with the deficits, and the procedure to be established for dealing with the surpluses.

The individual area boards will not necessarily retain all the surplus. They may, but it will be the decision of all the boards together, following the guidelines that are in the process of being established by the Metro board now. But I think the member should be aware that the money that is budgeted by Metro for a particular area board is justifiably the money that area board is entitled to under the equalized mill rate. The equalized mill rate concept is the function that keeps the Metro system running appropriately.

If the member is suggesting that only that portion of the surplus raised by the local jurisdiction should be returned, he is really negating the principle of equalized mill rate in Metropolitan Toronto. Therefore, if a jurisdiction really can deliver a high-quality educational program without spending all the budgeted money, justifiably allocated by the Metro board, the taxpayer

ers of that jurisdiction surely should be entitled to the benefits of the prudent spending of their trustees and the good planning of that board.

As I said earlier, I think the member should be aware that this amendment, or this portion of the bill, was approved by six of the seven Toronto trustee representatives on the Metro board on June 15 of this year.

Mr. R. F. Johnston: Mr. Chairman, I would like to make a point in response, if I might. I presume it would be in order if the minister's helpful comments were.

I have been talking about a September 3 submission made by the Toronto board. I thought there was agreement much later than June—in fact, in committee this fall—among all parties, the Toronto board representatives, the minister herself and members of the opposition, that what we see at present in the bill, the notion that a board could not receive back more than an amount equal to the portion of the surplus that was raised by local taxation, was something that was accepted by all sides.

I find it somewhat confusing that now the minister wants to go back to what might have been said at a Metro board meeting in June, or whenever it was said—

Hon. Miss Stephenson: No; not what might have been said, but what was recorded.

Mr. Wildman: We can read what Hansard says from the committee.

Mr. Grande: On a point of order, Mr. Chairman: Is there a quorum in the House?

The Deputy Chairman: We will find out. Yes, there is a quorum.

Mr. R. F. Johnston: Since there is a quorum, Mr. Chairman, it is clear that there are too many members on the opposition side.

Mr. Wildman: There are not many over there.

The Deputy Chairman: Speaking to the motion.

Mr. R. F. Johnston: I would like to continue a little further, if I might, on what the minister said, because I am not sure that answers the problem.

It is true that there is an equalized mill rate. I do not dispute that. But it is also true that the revenues raised are as we have discussed them, that is to say they come disproportionately from different municipalities which have different populations and different kinds of tax bases, and that the city of Toronto does provide 40 per cent, or 39 per cent as the minister corrected me earlier on, of the revenue. Therefore, I think

that applies just as strongly as does the notion that the mill rate itself is equalized now across Metropolitan Toronto.

Getting back to what we were discussing, Mr. Chairman, because I am not sure if you are still having difficulty—

The Deputy Chairman: No, I am not having any difficulty. My worry is that of the House, that we stick to the subject and proceed towards—

Mr. R. F. Johnston: You did understand how I was on the subject, though, I hope. I just want to be clear about that, because it is crucial to what I am about to say.

The Deputy Chairman: I am making every effort. Without repetition, just make your point, please. I am anxious to fulfil the rules of the House that we do not repeat ourselves, that we stick to the subject at hand and that we proceed with a full and proper discussion, giving others an opportunity to participate in the debate as well.

Mr. R. F. Johnston: I agree, but I do not want to be called back later on because the presumption of where it began has been missed, Mr. Chairman.

The motion, if I may refer to it for a moment, says boards can receive back a maximum of the entire amount of their surplus; it is a decision made by the Metropolitan Toronto board in its entirety as to whether they receive that entire amount or a portion thereof. I believe, on the basis of the other arguments I made earlier which I will not repeat, that this is an encouragement to underbudget, to underestimate and to have surpluses for the individual municipalities involved.

I then want to raise the issue as to how it is that some boards have had surpluses on a consistent basis. I believe that is relevant to what we are speaking about. The reason, I want to suggest, is that it is a matter of program and a matter of the policy decided on that program. I am afraid it has been a matter that has been founded on some misconceptions about what makes up the suburbs today.

As I have been saying, the suburbs are not a homogeneous community of nuclear families living in pleasant little bungalows designed in the old Don Mills concept of the 1950s which then sort of proliferated. It is not that at all. In ridings such as my own we have an enormous racial mix. We have areas that can be seen only as areas of poverty, where there are large concentrations of people who are either the

working poor or on social assistance, just as you would find in some areas of downtown Toronto.

Yet we have not found, and there have been reports by the Social Planning Council of Metropolitan Toronto and others that have shown this, that we have had the kind of services provided to those communities that we have in the city of Toronto. That goes not just for things like Meals on Wheels and other social services, it goes for education as well.

What we have not seen is a response by the boroughs to inner-city needs in the way that we should have; and that I think would have taken the surpluses from Etobicoke or Scarborough if they had been used as had been done in the city of Toronto for these kinds of purposes.

I hope there will be no argument when I say that we have not seen the same kind of emphasis on English-as-a-second-language training and all the aspects of that. The presumption has been that the need has not been there. In my own borough we have not even had heritage languages classes. The minister and I have both been on the same side of that battle in fighting for and encouraging that board to participate in the provincial program of heritage languages.

Mr. Wildman: Is that chairman Bill Davis?

Mr. R. F. Johnston: That is chairman Bill Davis, and others.

I was at a meeting with the Minister of Education in which we were both suggesting that it would be a good thing for the borough of Scarborough to join in. That was back at a time when it was only Etobicoke and Scarborough that were not participating.

There is a fundamental lack of recognition. For example, in my riding there is a large Greek community, a large Italian community and now a large Filipino community.

The Deputy Chairman: I think you are straying from the motion at this point. Please bring your points to the motion at hand.

Mr. R. F. Johnston: I am trying to say that if the Scarborough board had had a better program of English-as-a-second-language instruction and perhaps had moved into heritage languages programming and some supplemental aids to a heritage languages program—not to argue with the minister whether or not that is paid 100 per cent by the province—if it had moved into these areas, I doubt it would have had the surpluses we now see.

5:40 p.m.

Should it be rewarded for not having done that, which is what we are now suggesting with

this amendment, or should it be said that besides having a responsibility to watch the public purse you also have a responsibility to provide services that are suitable to your community?

I am attacking my own area in this matter and this will not make me popular with the Scarborough board. I do not believe it has done that. It has shown a tendency towards fiscal conservatism in the past, if I can put it that way, and now we are going to give it an even greater reward to do so in the future if this amendment is passed. I think that is greatly regrettable.

I look at things like the concept of all-day kindergarten which has been pushed in the city of Toronto, much to the chagrin of the minister in terms of paying for it. One can tie that to the fact it has a deficit because it provides a service other municipalities do not.

Who is more responsible? Is it the city of Toronto which is trying to respond to the fact that for two to three generations in inner-city schools in Toronto kids have been stuck in the same kind of streaming in terms of what their long-term possibilities will be for economic capacity and mobility in this society? It has tried to come up with programs to meet those needs.

If you have read those reports, Mr. Chairman, as I am sure you have, that over a 30-year period the graduates of inner-city schools of Toronto have been going into the same low-paying jobs and unskilled positions, you would understand the enormous frustration of a board in wanting to try to do more to make sure that continuing cycle does not occur.

The response in a place like Toronto is to provide extra support to those mother-led families, for instance, by having all-day kindergarten, not just part of the day. By doing so and taking it on responsibly, it may acquire a deficit.

Mr. Rotenberg: They should pay for it if they want it.

Mr. R. F. Johnston: Yes, they should pay for it and they are willing to. That board has actually gone with the parents and teachers to the people and raised taxes.

What I am suggesting is that if we only reward the surpluses on this side, and potentially give Scarborough back more than it puts into the system at the same time as we are saying to Toronto, "You are bad for overspending," and we are not even giving it a portion of the surplus to help with the fact it has taken on that responsibility, then we are making a political judgement from the provincial level in terms of a policy notion.

Mr. Rotenberg: You want Scarborough to pay for Toronto.

Mr. Wildman: Scarborough gets back only what it puts in, it is then not paying for Toronto—

The Deputy Chairman: Order.

Mr. R. F. Johnston: That is exactly the point. I presume that interjection was missed. If there are surpluses, I am suggesting it would be fair if Toronto gets back what it puts in and Scarborough gets what it puts in.

The Deputy Chairman: The honourable member has made his point. Is there any other point to be made on the section 6 amendment?

Mr. R. F. Johnston: Mr. Chairman, I believe there are a number. In terms of program, and the things that have been done or not done and the resulting surpluses, I believe there are many other things to be said. I am sorry if I am boring you, but I believe these points are important.

The long-term effect of this amendment, which embodies the spirit of this overall bill in my view, will be to penalize a board that has made a political decision on a certain kind of policy, which it has been elected to do. By making that decision, it is now being punished by the provincial government because it does not have the same philosophy this government has.

The government has been withdrawing money from the education area, not adding it in as it has in the past. That is not what this legislation should do. It makes this punishing legislation rather than permissive legislation. Rather than having a capacity for the surplus to go back to Toronto for it to bring in whatever kind of—and they may move to the right some day, they may possibly do that, but they should have the right to make that choice. What this is going to be doing is adding an extra wedge of pressure.

Interjection.

Mr. R. F. Johnston: Oh, damn; I missed that one, and I think it was probably good.

Hon. Miss Stephenson: The honourable member is suggesting that only the Toronto board should be given that choice, and that the Scarborough board should not be given any choice. That is what I heard the member say.

Mr. R. F. Johnston: No, not at all, Mr. Chairman. The Scarborough board should feel free to make the same decisions, although I will fight those decisions not to participate in heritage languages, not to do more in terms of English as a second language, not to go for

all-day kindergarten programs, to move to neighbourhood schools instead of community schools, and those kinds of things. It has the right to do that, but it should not be rewarded extra for doing so. If it decides to do that, then it should get back what it paid in and it should not get a damned cent more. Because what is being done is that one is being played off against the other, which is my argument, and that should not be done.

Mr. Kolyn: Fight your own constituents.

The Deputy Chairman: Speak to the bill and do not allow these interjections to take you from the mainstream of the debate.

Mr. R. F. Johnston: Yes, Mr. Chairman, an interjection like "Fight your own constituents" is not a particularly helpful interjection. I believe what I am trying to suggest is that maybe, in a political way—it is a political decision, all these things are—it might have been more helpful to my constituents and the constituents of Scarborough if those surpluses had been spent on programs in Scarborough and had not been sent back to the Metro board in the past number of years. I would not like to see extra encouragement, which this is, to see that happen in the future.

I would like to relate to this matter of programming the whole question of French-language instruction, if I might. There was a brief submitted to the hearings on Bill 127, which I unfortunately missed but I have received a copy, which I find very helpful. It was presented by Lois Thomas.

The Deputy Chairman: How does this fit into the amendment?

Mr. R. F. Johnston: It fits into the question of—

The Deputy Chairman: I do not see how it does. Tie it in, please. I am asking that the honourable member assist me in understanding how it fits into that clause and then I will give full scope to carry on.

Mr. R. F. Johnston: I shall be very happy to, Mr. Chairman. What I am going to be speaking to is another means by which a surplus was developed in places like Scarborough which, in my view, should not have been, and how it should not therefore be rewarded. The argument this woman is making is around the funding that is available for French programs and how much of a deficit Scarborough had in terms of the amount of money that was not spent that could have been spent. She makes the point, and I will tie it in with the surplus if I

might, and then go back to it just to make the point for you.

On page 4 of her document, she is referring to the amount of money that was not spent, and she says: "These sums would surely change many boards from a surplus position to a point closer to breakeven and at least in one case change a deficit to a small surplus (York). Please note the overpayment to Scarborough appears during the same years Scarborough was returning its so-called surplus to Metro. Its claim to prudent financial management appears instead to be unfair distribution of funds by Metro."

I believe that ties in the point. What this is about is what, in my view, is a pretty complicated method of arriving at money which is available for French-as-a-second-language instruction in our schools in Metropolitan Toronto and elsewhere. What happens is that there is money allocated from provincial and federal reserves for this kind of thing and then the boards either make use of it or do not.

The Deputy Chairman: I have trouble tying that in with surplus, having been a former school trustee.

Mr. R. F. Johnston: The reason, as this woman's argument is being made, is that Scarborough is not spending the money that it should be spending. If it was spending that money, which is part of the overall levy which is involved—

Mr. Nixon: All the teachers in the galleries agree with you.

5:50 p.m.

Mr. R. F. Johnston: Yes, there is nodding everywhere. I see it all. Thank you.

Mr. Nixon: You are making a tremendous impact.

Mr. R. F. Johnston: As the member for Brant-Oxford-Norfolk Haldimand—

Mr. Cassidy: Which side are you on over there?

Mr. R. F. Johnston: I would never want to get in the position of being like the Premier (Mr. Davis) and never remembering your ridings. I have always tried very hard.

Mr. Nixon: You are a slow learner.

Mr. R. F. Johnston: I am a slow learner, but one thing I have learned as well is that many is the night you have stood here speaking to even less in this assembly than there are now.

Mr. Nixon: No.

Mr. R. F. Johnston: Oh yes. I was one of them, and I was smiling and nodding and giving—

The Deputy Chairman: Honourable members, please. The chair is endeavouring to keep the speaker on the subject before the House.

Hon. Miss Stephenson: He is semantically incorrect, because he should have said "fewer."

Mr. R. F. Johnston: Did I say "fewer"?

Hon. Miss Stephenson: You said "less."

The Deputy Chairman: Order, please.

Mr. R. F. Johnston: It is true. It is one of the flaws in my education—

The Deputy Chairman: Do not allow the interjections to take you away from the main theme of your presentation.

Mr. Foulds: Well, "less" when you are talking about the Tories, "fewer" when you are talking about us.

The Deputy Chairman: Speaking to the motion.

Mr. R. F. Johnston: So do I have your connection in terms of how this affects surplus? This woman's argument, if I might, is essentially saying that in Scarborough's case it would not have wiped out the surplus by any means; it would have reduced the surplus and brought it down to a much smaller amount if the money had been spent on French programming that was supposedly going to be spent.

In Toronto, on the other hand, they have spent more on French-language teaching than the amount of money they received for doing so, because they felt it was important to the policy decision. So what we get is a rewarding of surplus—

Mr. Nixon: Let's do heritage languages again.

Mr. R. F. Johnston: I will come back to that. It is very hard for me to maintain my conversation, let alone my conversation. Or is it my concentration? Or whatever.

Mr. Foulds: Let alone your concentration.

Hon. Mr. Norton: You really haven't demonstrated a great capacity for that so far.

Mr. R. F. Johnston: Which? Conversation or concentration?

Hon. Mr. Norton: Conversation, if you include babble.

Mr. Nixon: It's six of the clock.

The Deputy Chairman: Honourable members, I beg you to just stay on the motion before the House.

Mr. R. F. Johnston: They are coming at me from all sides, as it were, Mr. Chairman.

The Deputy Chairman: Well, I am coming at you, but I am only asking you to speak to the bill.

Interjections.

The Deputy Chairman: Order. Do not, again, be distracted. I am just begging you to allow others to have an opportunity to speak, and to make your point, without repetition, on the subject before the House.

Mr. R. F. Johnston: Would you use that gavel now and then? I respond well to gavels.

The Deputy Chairman: Okay, I will use it.

Mr. R. F. Johnston: What I am trying to say is that the argument that is being put forward is that if some of the boroughs had used this allocation appropriately they would in fact have had a lesser surplus. Some of them, in fact, might even have ended up in the position of not returning funds to Metro. So we have in this amendment the potential rewarding of having a surplus, which might encourage what has already been a problem, and that is the underfunding of French second-language education in Toronto.

I think this issue is too important for the difficulties we have had with French education in Ontario to be exacerbated by this kind of amendment, which will not encourage Scarborough to spend its bucks but will encourage it to continue not spending its dollars; and I think that would be a tremendous mistake.

Take this year's special education, and I know this gets a little more complicated because of changes that are being made, and I am not even sure now what the final date is for seeing the master plan of special education being brought in around the province. With regard to the whole notion of the need for more of that in inner-city areas and for an emphasis on that kind of assistance in inner-city areas, I would personally—it is a political point of view—rather see that spent than see the surplus being sent back.

I would rather not see us do anything more to certain of these jurisdictions to encourage them to make the choice the other way, because I do not think that is our role. Our role should be to leave it open to them if they so choose, because they are democratically elected. We should not be forcing that kind of a philosophy on them. That is why I am so strongly opposed to this.

Hon. Miss Stephenson: Nobody is forcing anyone.

Mr. R. F. Johnston: Well, I will not respond. I promise I will not respond.

To indicate in any way, however, that giving

the power to the Metropolitan Toronto School Board to determine the amount these boards with surpluses would get back would in any way be likely to equalize the situation, in terms of the Toronto Board of Education getting back its appropriate percentage, would be absolutely foolhardy to presume. All one has to do is to look at the history of what has taken place at Metro in terms of those kind of decisions and one will see that is not the case. If one really wanted to see that was the case, then one would leave the section as it stands because that would guarantee it much better than this would.

The new amendment has to be seen as a means of throwing that natural proportion, if I can put it that way, in terms of the amount of money that is raised in the various municipalities, pushing that to the side and weighing the balance on the side of the virtuous board that maintains the surplus. It is true that an individual board will not have carte blanche to keep everything on its own without going before the Metro board. I agree with that. It is possible that, for various reasons during a given year, the Metro board may decide it would like part of it to come back at the Metro level and be disbursed differently. That is possible. I suggest the prime intention of what we are seeing here is that a disproportionate amount of the money will remain with the borough that has the surplus.

One of the reasons given for surpluses in the past has been—in quotations marks, because I do not accept this myself—“the responsible attitude of some boards in terms of school closings and in terms of teacher layoffs and firings.” To respond almost in equal terms in a

proportional way to the declining enrolment by the closing of a school or the laying off of teachers is, in a way, a virtuous thing to do, and that is how the good boards of Scarborough and Etobicoke and others have in some ways come up with a surplus at the end of the year.

In terms of that concept, one of the things that has been laid out a fair amount is the notion that the city of Toronto has been incorrect, unwise and irresponsible to maintain the notion of the neighbourhood school, and that the boroughs, obviously developed later in historical terms and in terms of urban planning, have been wise to move to the community-based school which would have a larger population feeding into it and without the same kind of basis that families in an individual neighbourhood feed into that particular school. In some ways this amendment must be seen as a means of endorsing the notion of closing schools, endorsing the notion of having a higher threshold for closing schools, for instance, than is held in the city of Toronto at this point.

I would like to make some argument that this is an unjust approach and should not be permitted. I notice, however that the hour of the clock is upon us, and since there is this matter and a few other matters I would like to raise that it will not be possible to cover in the next few seconds, I will adjourn the committee.

The Deputy Chairman: Before I leave the chair, I would ask the honourable member, we renew at eight o'clock, to remember that we have other people who wish to participate in this debate and to speak to the bill before us.

The House recessed at 6 p.m.

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No. 152

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Official Report (Hansard)



Second Session, Thirty-Second Parliament

Tuesday, November 23, 1982

Evening Sitting

Speaker: Honourable John M. Turner

Clerk: Roderick Lewis, QC

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LEGISLATURE OF ONTARIO

Tuesday, November 23, 1982

The House resumed at 8 p.m.

House in committee of the whole.

MUNICIPALITY OF METROPOLITAN TORONTO AMENDMENT ACT (continued)

Resuming consideration of Bill 127, An Act to amend the Municipality of Metropolitan Toronto Act.

Mr. Cunningham: Mr. Chairman, I do not notice a quorum.

Mr. Chairman ordered the bells to be rung.

8:04 p.m.

Mr. Chairman: Order. A quorum is present.

On section 6:

Mr. Chairman: We are on section 6, the amendment put forward by the Minister of Education (Miss Stephenson).

Mr. Ruprecht: Mr. Chairman, before we go into the details of this section, let me make it very clear that not only is our party very much opposed to subsection 6(4) of this particular bill, we are against the whole bill. The reason is very simple, especially when you examine subsection 6(4) where you will see the minister has committed one of her biggest blunders.

The reason I say that is that in committee, and I was present at the time, the minister indicated she was supporting the position of the opposition. Did you know that, Mr. Chairman? I know you cannot know everything. Most people do not know that. What really surprised me was that apparently the minister was ready and able, with one stroke of her pen, to throw the whole educational system into total and complete chaos.

Hon. Miss Stephenson: I see you guys are playing to the gallery again tonight. Lovely.

Mr. Ruprecht: Mr. Chairman, I am not speaking to the gallery. I want to speak to the minister through you.

Mr. Chairman: The amendment is what you want to speak to.

Mr. Ruprecht: I want to speak directly to the amendment. What we on this side of the House want to know is why the minister changed her mind in midstream. She went to the committee

and said to the members, when I was present, "Yes, it is a good idea." It is in the record, clear and obvious, for everyone to see.

Then I read the fine print and even the finer print, Madam Minister, and the facts stay as they were. The minister comes to the committee meeting and says, "Yes, we agree with the position of the opposition." Then a few weeks later, out of the blue a bolt comes down from her ministry and I find that in her new recommendation she has changed her mind again.

It is the people who should decide. It is the people's choice, Madam Minister, but it is not the people's choice that you throw the whole educational community of Metropolitan Toronto into chaos, especially the Toronto Board of Education. What we want to know, Madam Minister, and I hope after I sit down we will get a statement from you, is why you have changed your mind again.

Mr. Chairman, if we can reason with the minister, and we have tried to do that at the committee level; occasionally, the minister is a reasonable person and we can reason with her. In fact she pointed this out in committee. She said, "The opposition is right." What I want to know and what we want to know is why she has changed her mind.

Hon. Miss Stephenson: Why doesn't he read Hansard and find out?

Mr. Ruprecht: The reason I am repeating myself is that in saying it just once we seem to have a problem getting through to some people. As I said earlier, I would only hope that the minister will tell us specifically why she changed her mind.

Could it be that she simply went back to some of the people in the boroughs and talked to her supporters out there? Did they say, "Madam Minister, you have made a mistake"? Perhaps she then went back and contacted her oracle, or the entrails of an oracle, or the member for St. George (Ms. Fish) who is now here, or maybe even the member for—

Mr. Boudria: For Stormont-Dundas-Glengarry?

Mr. Ruprecht: No, not for Stormont-Dundas-Glengarry (Mr. Villeneuve) but for High Park-Swansea (Mr. Shymko). I want to know whether

she indeed contacted the oracle, whether she contacted the member for High Park-Swansea, whether she contacted her boss, the Premier (Mr. Davis), or whether she contacted the Solicitor General (Mr. G. W. Taylor). I want to know who in heaven's name she has contacted who has made her change her mind.

It is obvious that by doing that she again threw the educational community into chaos.

8:10 p.m.

Mr. Haggerty: The minister would never do that.

Mr. Ruprecht: The minister has done that and I would only hope and pray that she would give us a good reason. Let us specifically examine the section that she has changed her mind on again. Do you notice, Mr. Chairman—I want to add this because it is important to notice—that she has not said I was wrong.

Hon. Miss Stephenson: Read Hansard.

Mr. Ruprecht: We read Hansard. Let me point out to you that my distinguished colleagues the members for St. Catharines (Mr. Bradley) and Wentworth North (Mr. Cunningham), and the other opposition members from the third party who were also present, know full well that what I have been telling you up to this point is the complete truth. She has changed her mind. The minister will have her chance to speak to us and tell us what it is that she has specifically changed, unless I do not understand the language in this legislation or I cannot read the legislative record of Ontario where she has indicated that she agrees with the original clause.

What happens here is simply that the different school boards in the metropolitan area should be permitted to keep the surpluses which are being raised locally. That is basically the question. Should they be permitted to keep those surpluses which are being raised locally? Of course, the position we have taken is that they should be able to keep those surpluses. What the minister wants to do is to have those surpluses maintained in the different municipalities.

Mr. Philip: Mr. Chairman, do you recognize a quorum?

Mr. Chairman: We will find out.

Mr. Villeneuve: You don't have great numbers in your own group there.

Hon. Mr. Gregory: On a point of privilege: I really find it offensive that the member has the

nerve to call a quorum when they have two men in the House.

Mr. Chairman ordered the bells to be rung.

8:17 p.m.

Mr. Chairman: A quorum is present.

Hon. Mr. Gregory: Mr. Chairman, on a point of privilege: I think the record should show that after the call for a quorum with a five-minute bell, there are only two New Democrats in the House, the same number present when the member for Etobicoke (Mr. Philip), a New Democrat, called for a quorum.

Mr. Chairman: Order.

Hon. Mr. Gregory: Suddenly we have three.

Mr. Chairman: That is not a point of privilege nor a point of order.

Mr. Ruprecht: Mr. Chairman, I am happy to continue debating this particular section. As you understand, we were just discussing why the Minister of Education had changed her mind. While in committee she was saying one thing about the opposition being on the right track, and when she came before the committee of the whole House, she said the exact opposite.

The only problem with that is, in the meantime, I have been in contact with some of the people who are concerned with Bill 127, and I told them specifically that the school boards should be permitted to keep only those surpluses that are being raised locally. What has happened though is that the minister has come back to this chamber, to the committee of the whole House, and has indicated that is no longer her position, which in the beginning she had agreed on. That causes our party, as well as the third party, I am sure, considerable consternation. The reason for that is simple. When the minister keeps changing her mind, the people no longer understand nor do they know what the minister's position is going to be. Consequently, they are confused.

8:20 p.m.

The other problem with that is we have had committee hearings, and to these hearings we invited a whole slew of people to come and talk to the minister. When we had finished those hearings, the minister's statement at that point was still clear: she agreed with the position of the opposition.

Suddenly, after everyone had appeared, and I mean everyone—people from York, Etobicoke, North York, Scarborough, from all over the metropolitan area; housewives, professors, teachers, board members and trustees, even the

chairman was there—after all of these people had spoken, a whole lot of them went away thinking that the minister's position was clear and unequivocal. Now they are being surprised and are calling our members asking, "What has happened in the meantime?"

They want to know why the minister has changed her mind and why she made this change, throwing the whole educational apparatus in the city of Toronto, especially the city board of education, into chaos. We want to know today from the minister why she has changed her mind, whether she will talk to this House and whether she will give an answer to that question.

What subsection 6(4) indicates, and what the reversal of the minister's position indicates, is that she wants to continue to punish the school board in the city of Toronto. Did you know that, Mr. Chairman? I repeat, she wants to punish the school board of the city of Toronto.

Why? I do not want to go into all the details, but let me simply say this. If she persists in the continuation of her new position on subsection 6(4), what she will be doing in this section—

Hon. Miss Stephenson: Mr. Chairman, it is subsection 6(2).

Mr. Chairman: The minister has pointed out that it is subsection 6(2).

Mr. Ruprecht: Excuse me. Let me just say section 6, okay? That will be all-encompassing.

What will happen if she continues on the present course? She can have only one goal in mind, and not only will she be found guilty by everyone who has appeared before the committee of stripping the school board in the city of Toronto down to a bare minimum and its necessity, not only will she have succeeded in throwing the educational system into chaos, as I said earlier, but she will also have succeeded in driving the level of education below what is essential to maintain the programs that are necessary for Toronto.

Do I say this because I want to fill up the time? No. I say this because it is absolutely clear that this section in this bill will force cutbacks in programs in the city of Toronto.

Interjection.

Mr. Ruprecht: That is right. I am glad the minister is finally waking up to the fact, because I do not think she understands the parameters and implications of the position she has taken here. If I were the minister I would at this particular time not speak my mind, because I would not want to be found in the position of

changing it again at a later time. I might say to her that as the minister, being in such a "flexible" position, she changes and flip-flops from one position to another after everyone has gone away because she could not take the pressure.

The minister prides herself on being tough, stolid, solid and immovable when she takes a stand. Let me assure you, Mr. Chairman, that she has changed and she has flip-flopped; and I for one want to ensure that everyone understands what has taken place here. What has taken place is simple: before the committee and before the hundreds of people who appeared she took one stand, and when everyone had gone home she took another.

Hon. Miss Stephenson: Mr. Chairman, on a point of personal privilege: The sequence of events is not as the honourable member has described it at all.

Mr. Ruprecht: But the substance is.

Hon. Miss Stephenson: No, it is not. Indeed, the structure of the bill was similar to my amendment tonight in the original form. It was in committee on clause-by-clause examination after all the groups had appeared. I wish the member for Parkdale would clarify his imagination a little.

Mr. Ruprecht: Did you agree with us or not?

Hon. Miss Stephenson: It was after that there was discussion. I hope the member will read Hansard and see precisely what I said, because I did not record in Hansard any agreement with the opposition. Read it carefully.

While the member for Parkdale was out cavorting somewhere else, I have already explained to the House on two occasions why the amendment is being redrafted. I believe he can read and can look it up in Hansard.

Mr. Chairman: I would like to point out to the—

Mr. Foulds: Mr. Chairman, on a point of order: Could you inform me what privilege of the minister has been infringed that she rose and spoke at length on?

Hon. Miss Stephenson: Yes.

Hon. Mr. Gregory: He wasn't telling the truth.

Mr. Chairman: I would like point out to the member for Parkdale—

Mr. McClellan: Mr. Chairman, on a point of privilege: The government whip said the member for Parkdale was not telling the truth. That is not parliamentary. Would you ask him to withdraw that statement?

Mr. Chairman: I am sorry. I am only handling one question at a time. I did not hear it.

Mr. Nixon: You are doing a great job.

Mr. Chairman: Right, thank you. I want to point out to the member for Parkdale that I was listening closely. You have brought to the attention of the House seven times what took place in committee in terms of how you recognize it happened. I think we are reaching the limit of being repetitive.

Mr. Ruprecht: Mr. Chairman, I appreciate the minister's statement trying to defend herself. She is trying to defend the indefensible. What has happened here is simple. Even though I have repeated myself on this point, I want to make clear to the House the importance of this question and this point.

The minister indicated one thing to the committee and she states another here. That is the essence. If she is sensitive about that to the point where she wants to correct the sequence of events, we can agree with that. I will point out why in a minute.

But there are two points at stake. One is the sequence of events and the other, of even more importance, is the substance of the issue. As far as the substance of the issue is concerned, she does not have one leg to stand on.

Hon. Miss Stephenson: I have two and I will demonstrate.

Mr. Ruprecht: She has said one thing in committee and another in the House. If you want to say that is misleading, Mr. Chairman, if you want to tell me that is not the truth, that is for you to interpret and it is for her to state the facts.

Mr. Chairman: That was nine times. Even I am getting a little annoyed.

Mr. Ruprecht: The question here is not whether the Chairman gets annoyed—

Mr. Cassidy: Mr. Chairman, on a point of privilege: I was disturbed by what I heard from the minister a minute ago. She said she had nothing to do with this amendment coming to the committee.

I have looked at the Hansard for the morning sitting of Wednesday, October 13, 1982, page 38. At the point where it was decided the NDP's amendment would not be accepted, the committee then decided by consensus to arrive at the amendment which is now being struck out by the minister's efforts in this House. It was the minister herself who, in the committee, read the

form of the amended version we got back from committee. To quote:

"Hon. Miss Stephenson: 'Is equal to the portion of the surplus that was raised by local taxation in the area municipality.'" The minister read the darned amendment in the committee on behalf of the member for Wentworth (Mr. Dean). How she can try to lead the House to think otherwise is beyond me.

8:30 p.m.

Hon. Miss Stephenson: On the point of privilege, Mr. Chairman: I did not read it on behalf of the member for Wentworth, I was attempting to clarify what it was the honourable members were leading themselves to. I think you will notice there was a question mark at the end of that, because I was asking whether that was what they meant in that committee.

Mr. Cassidy: I can read as well as anybody else. I read what you said.

Hon. Miss Stephenson: But I was there. The member was not there; so he does not know. I am sorry. I happened to be there. It was indeed a question and when I understood what their question was, then I knew what it was they were talking about.

Mr. Chairman: You've had your say. Come on, let's go.

Mr. Cassidy: On the point of order, Mr. Chairman—

Mr. Chairman: It is not a point of order; I rule you out of order. It is a point of clarification.

Mr. Cassidy: Thank you, Mr. Chairman. May I just read the quote from Hansard?

"Mr. Grande: If the minister accepts the wording, 'is equal to,' it seems to me to drive at the heart of what I am talking about.

"Hon. Miss Stephenson: If we amend that portion that has already been amended by the change of the wording in the last three lines, 'has jurisdiction by an amount that, in the opinion of the board, is equal to the portion of the surplus that was raised by local taxation in the area municipality.'

"Mr. Grande: I am satisfied that deals with the concern in the argument I have presented."

Mr. Chairman: Come on. I think I have been extremely patient with you. It is time to rule you out of order. You have had your say.

Mr. Cassidy: It is on the record, and she accepted the proposed amendment.

Mr. Chairman: Member for Parkdale, I want to tell you it has been nine times—

Mr. Bradley: But he's got a 10th.

Mr. Chairman: Now, that's it. You have to get on to the amendment. If you go to the repetition again, you are out of order.

Mr. Ruprecht: This may not be important to you, Mr. Chairman, but let me assure you there were more than 200 people from the metropolitan area at those meetings and they want to know the details and the truth. At this particular point, I do not think you have any right to rule me out of order because I am reading into the record what the facts were.

You have permitted the minister to get up on a point of personal privilege and dispute the facts I have indicated. When I have the record in front of me, you want to rule me out of order? What is this?

Hon. Miss Stephenson: You are misrepresenting the facts.

Mr. Ruprecht: I did not quite hear what the minister was shouting across the aisle—she is not doing it at this point; so I will let it go by and I will not repeat it—but let me read for the record what the facts were. They are very short.

Mr. Havrot: For the 10th time.

Mr. Ruprecht: No. Not for the 10th time. I have never indicated—

Hon. Mr. Pope: It was the 11th time. You lost count.

Mr. Ruprecht: Was the minister present at the committee meetings? Does he know what is in the record?

Hon. Mr. Pope: You lost count, did you?

Mr. Ruprecht: If I were the minister, I would not be that loud. I am going to read what is in the record for the minister's illumination.

Mr. Chairman, let me briefly point this out and then I will continue. This is on page 38.

"Mr. Wildman: If the government is prepared to say that, we could accept that as a friendly amendment.

"Mr. Dean:"—for whom I have the greatest respect—"We have that amendment in. Do you want to amend the amendment or withdraw that amendment on the understanding that we will change it to say, 'will be equal to the amount of the surplus'?"

"Hon. Miss Stephenson: 'Is equal to the portion of the surplus that was raised by local taxation in the area municipality.'" Interesting, Mr. Chairman. Then it continues:

"Mr. Dean: If the member for Oakwood would withdraw his amendment, I would be prepared to move that one.

"Mr. Chairman: As part of your original

amendment? Would it not be simpler, now that we have passed your amendment, to deal with this 'is equal to'?"

"Mr. Grande: If the minister accepts the wording, 'is equal to,' it seems to me to drive at the heart of what I am talking about."

Here is the minister's statement:

"Hon. Miss Stephenson: If we amend that portion that has already been amended by the change of the wording in the last three lines, 'has jurisdiction by an amount that, in the opinion of the school board, is equal to the portion of the surplus that was raised by local taxation in the area municipality.'"

"Mr. Grande: I am satisfied that deals with the concern in the argument I have presented.

"Mr. Chairman: Procedurally, yes. Let us move a motion.

"Mr. Grande: I will move the amendment."

Mr. Chairman says, finally, and I quit here, "Mr. Grande moves that the second last line of section 6(2)(4) of the bill be amended by deleting the words 'is not less than' and substituting therefor the words 'is equal to.'"

The motion was agreed to, and the minister has the gall to get up here and refute the facts of this situation, and you want to say that I cannot speak to this point, Mr. Chairman. I think that is ludicrous. Let me simply point out what the distinction is.

Mr. McClellan: The minister should apologize.

Mr. Ruprecht: She should apologize, Mr. Chairman. I would agree with what she said on the sequence of events; it was right after we had heard all the deputations. That means to me that the pressure was still on her, it was fresh in her mind and she said "Agreed" on page 38. Then, and I will finish here, she comes to the House and says, "I have changed my mind, folks. I flip-flopped and here it is again; I have changed the whole thing around again," leaving us to hold the bag for the minister.

Hon. Miss Stephenson: Mr. Chairman, on a point of clarification: The member does not remember, unfortunately, that there was a request on the second day of the clause-by-clause examination that we reconsider that section of the bill. The honourable members in committee were not prepared to reconsider. The motion, as a matter of fact, was introduced on that day, which I believe was October 15 or 20, if I am not mistaken—

Mr. Cunningham: That is why we are here today.

Hon. Miss Stephenson: October 20. In fact, the motion that was being introduced as an amendment was introduced to the committee and was read to them on that date.

Mr. Ruprecht: I appreciate the minister's comment, Mr. Chairman, but you will agree the point surely is that it is in black and white and that the substance of it is simply—I will not repeat myself. If she is going to tell me she does not agree, then I am going to sit down and not speak any more. Does she not agree that it is in black and white and that it is a fact now that she has changed her mind? Yes or no? If she says "Yes," I will continue; if she says "No"—

Interjections.

Mr. Ruprecht: Mr. Chairman, let me simply continue. I think the point is very clear. Here we are in a situation where we in the opposition parties have to defend the minister's statement and her position when she has changed her mind. I think that is unfortunate. It is more than unfortunate, because it shows the kind of commitment, the kind of situation that is indicative of the minister's position vis-à-vis the city of Toronto school board. That is what it indicated, and everyone should understand that. The louder we speak on this and the clearer we are on this issue, the better for all of us, because we would not want to have this repeated in other school boards across all of Ontario.

When we look at this particular section of the surpluses, we know we are being shaken, and not only in the city of Toronto. The implications are so serious and clear to other boards across Ontario that they too are saying, "By golly, if the minister can change her mind on this, then she can change her mind on making a system of this nature available and sticking it right across the province." That is what they said when they appeared before the committee. Their accusation was that this was the first step towards that commitment. She said "No."

The point is, if she can flip-flop all over the map, then can we trust that minister not to change her mind the next time when it is clear that this kind of process and policy coming from the ministry could be applied all over Ontario?

8:40 p.m.

What is taking place here? This change really goes back to the old idea of punishment for the city of Toronto and its school board. What it means in its logical implications, its logical extension, is simply that the city of Toronto will be forced to do two things: (1) to cut back on programs and (2) to close schools. That is the

fact of the situation when you look at the logic of this bill and of this situation.

I am sure the minister will agree that if those surpluses can stay with other municipalities, with other school boards, it means one basic fact in the financial agreements and the financial management of the board in Toronto, and that fact is a lack of money.

We are not saying that we do not agree with the restraint program. We are saying simply that the education of our children should come first and foremost in our minds and that it should not simply be a question of surpluses or financial arrangements dictating education policy in the city. That should not be the overriding fact, and that is now the overriding fact of this particular section when we speak of these surpluses.

This means, as I said, two things that are very important. First, it means that a lot of programs will be cut back in the city of Toronto. Second—and the minister can correct me if I am wrong, and I hope she will make a statement to that effect—even though I do not want to be a prophet of gloom and doom, in the case of subsections 6(2), 6(3) and 6(4), when we reconvene here in two or three years you will see that schools are being closed in the city of Toronto and that programs will have been substantially reduced and cut back to the point where we will have an education system that is not on a par with other school boards in North America. We pride ourselves in having one of the best, but it will be inferior.

The point is clear and the message is right on the wall: When you cut back programs and close down schools—and that means when the teacher-student ratio is being increased—our education will be lacking and inferior, and certainly it will reduce the availability of education.

To speak specifically to our position here, we believe unequivocally that school boards should be permitted to keep only those surpluses that are raised locally. I think that is a fair principle. They should not be able to keep surpluses that are not really theirs and that have been arrived at and received through other ways and means from other sources; they should keep only those that have been raised locally. That is, in fact, the whole position and that is the whole change.

To be specific, let us look at the very foundation of education policy in Ontario, to be found in no other source than a little booklet that has been sent to literally thousands of people. In fact, I will guarantee, having looked at all the petitions that have come in on this bill—and

those petitions speak directly to this section on surpluses and education policy—that each one of those who have signed a petition have received in the mail, courtesy of the minister, this little leaflet.

The Deputy Chairman: The honourable member is deviating from the principal subject, which is the motion before this House.

Mr. McClellan: No, he is not.

The Deputy Chairman: That is my judgement as chairman. I am asking the member to speak to the motion on the floor and I am questioning how what he is saying now is relevant to that. I would like to see him tie it in, please, and that is the chair asking for it.

Mr. Ruprecht: Mr. Chairman, if you are afraid I might read the whole bill, let me calm your fears.

The Deputy Chairman: I have no fear of anything. All I am doing is asking the House to live within its rules and guidelines, seeking to cover those issues before us at the present time.

Mr. Ruprecht: I understand that, Mr. Chairman, but in this context I think it is relatively clear what I am trying to do.

This pamphlet speaks to this section. "Bill 127," it says, "is a move to more educational equality in Metro." Mr. Chairman, I will tell you how I will tie this in before I will do it. If surpluses are only being kept locally, it means there is more financial stability in the city school board, especially in the city of Toronto. That means the two fundamentals in this leaflet, the two fundamentals of educational policy through the ministry and in Ontario, can be maintained and can be progressed.

One of those positions is that it will be more equitable. That is what the minister is saying, through this section, specifically in the section about surpluses. In fact, let me quote what it specifically says about equity: "Bill 127 is a move towards a more equitable distribution of financial resources across Metro. It will bring the community closer together."

I submit that our party's position is that it will do the opposite. It will not bring the community closer together. In fact, it will split the community and it will pit one school board against another. That is basically why we are having these discussions: we do not agree, the city does not agree and some trustees in York do not agree. Does the minister want to indicate that she is bringing the community together through this bill? She rips it asunder. It does not bring

them together, especially through these particular subsections, 6(2), 6(3) and 6(4).

She says the second fundamental of educational policy is that there will be equal educational opportunities. I submit, and I hope the minister will listen, that this bill, and especially this section, is not restoring the equality of educational opportunity. In fact, it achieves the opposite.

Why does it achieve the opposite? Because up to this point, especially in the city of Toronto and in its school board, we have had what we have called programs that are essential to maintain a stable educational policy in Toronto, and those are special programs for our very special needs. If she changes that and if her position now is that not only the surpluses that are raised locally can stay but also all the surpluses can stay within a municipality, which of course automatically takes money away from the city, that means directly that certain educational programs no longer will be produced and no longer will be had in the city and through its school board. That is the essence of my argument.

First, the minister has changed her mind, and I trust that she will not have disappointed everyone in the process. I trust that, but I think the damage probably will be irreparable.

Second, the two basic fundamentals are to bring the community together in terms of equitable distribution of financial resources and equal educational opportunities. This bill—and maybe the minister will enlighten me—particularly subsection 6(4), is not going to do it, because it will do the opposite.

8:50 p.m.

Mr. Chairman, you and I both know, being from Metropolitan Toronto area or close to it, that in every great metropolitan area there must be one school board that is acknowledged as the leader of educational programs. With its ingenuity and flexibility, that has been, as we all know, the city of Toronto school board and its program and process. Simply to take away the resources that are necessary to maintain a stable and equitable educational policy, what that will do in the end we do not know for sure, but we know schools will be closed and programs will be cut back.

To make a long story short, I think I have outlined our concerns and how disappointed we really are. I wish I did not have to say this, but we are really disappointed in this particular process.

Let me say simply in closing—and I think you will understand what I am trying to say, Mr.

Chairman—that in the immediate future, in the next two years, with these particular changes we will see drastic problems being created in the inner core of the city of Toronto. There will be educational problems and a drastic reduction of parent input and control over the schools and parent control over trustees, a drastic reduction in our educational policy and, through these processes, a drastic reduction in democracy. That to me is very disturbing. I rest my case.

The Deputy Chairman: I just want to remind the honourable members that we are on section 6 of Bill 127. We have spent close to four hours in the debate of this section so far.

Mr. Cassidy: Mr. Chairman, I want to talk about this. I talk about it as a member from outside Metropolitan Toronto but also as a member who is concerned about the implications of this amendment as representing one of the core parts of the bill in terms of the implications that could apply to the rest of the province.

I would like to read a quote from Jane Dobell, the chairman of the Ottawa Board of Education. After we finally persuaded the committee that somebody outside of Toronto had an interest in this, she was able to come down on the Ottawa board's behalf to talk to this bill in committee. Part of what she had to say, but not all of it, was quite flattering to the government. She said:

"Here I want to praise the Conservative government—it must have been the Conservative government because they have been here so long—which introduced, as you say, the regional two-tiered government system. I think there are elements of it that are very advanced."

The Deputy Chairman: I would say to the honourable member, that does not relate to the motion before the House.

Mr. Cassidy: Yes, it does.

The Deputy Chairman: No. This does not relate to the regional government system. You could direct your remarks to the motion before us in section 6.

Mr. McClellan: Mr. Chairman, can you explain to me how an amendment dealing with the Metropolitan Toronto School Board is not relating to government?

The Deputy Chairman: I do not see that as being relevant to the amendment before the House.

Mr. Cassidy: With respect, Mr. Chairman—

The Deputy Chairman: I am responding to the member for Bellwoods (Mr. McClellan). I

am asking the member for Ottawa Centre (Mr. Cassidy) to speak to the bill. I have asked that in a kind way.

Mr. McClellan: It is an amendment to a regional government act. You will not get away with that kind of ruling.

The Deputy Chairman: I will read the amendment over so that you can tie it in. The member for Ottawa Centre is being asked by the chair to tie his remarks specifically to the motion before the House.

Mr. Cassidy: Mr. Chairman, I just referred to the two-tiered government system in the quote from Ms. Dobell. It seems to me that we are talking about the relationships between the Metropolitan Toronto School Board and the area school boards, which is two tiers.

The Deputy Chairman: I disagree. The amendment before the House does not talk about the two tiers. I am being very direct in asking the member to speak to the amendment before the House.

Mr. Cassidy: I happen to be speaking to it, Mr. Chairman.

The Deputy Chairman: If you are going to talk about two tiers, I am not going to allow you to speak.

Mr. Cassidy: You complained about the fact that the member for Parkdale had said the same thing nine times. I have not even had the chance to say one thing once.

The Deputy Chairman: What I want you to say, though—

Mr. Cassidy: You are overreacting to his speech, Mr. Chairman.

The Deputy Chairman: My only reaction is that members should speak to the motion. That is all I am asking and, as the chairman of this committee, I will require that.

Mr. Cassidy: Is it because I dared to read into the record a quotation from somebody who actually praised the Conservative government that I put you off balance?

The Deputy Chairman: If it is off subject, I will not allow it.

Mr. Cassidy: Mr. Chairman, what she said was, and I quote: "I am here to say, 'Don't spoil a good thing. Don't go so far and tip the balance.'" That was the word of caution that came from someone who has a great deal of experience in working in a large school board and in a system which, if the minister has her way, very easily could be turned into something that looks like

the two-tiered system that exists in Toronto, where we have the Metropolitan Toronto School Board and the area school boards and where we have a certain imbalance in terms of the tax resources between them and the problem of ensuring equity, of ensuring a fair share without ensuring injustice at the same time.

With the minister's decision to flip-flop, to back away from the amendment she was prepared to accept in the committee on October 13 of this year, it seems to me that what has happened is that now she is ramming it home in terms of her decision to do whatever she can to give the other area school boards and the Metropolitan Toronto School Board the ammunition with which they can somehow do in the Toronto school board.

To begin with, I cannot understand what it is that motivates the minister and her buddies on the Metro school board that they want to destroy something that has gone as far as the Metropolitan Toronto school system has gone and that has worked as relatively well as the school system has in Metropolitan Toronto.

It certainly has not been ideal. I have a number of criticisms about education in the province and about education here in the city of Toronto in particular from my knowledge of the system, from talking with parents and people whose kids have gone through the system and, for that matter, from talking with kids who have been in the system itself.

All the same, in contrast with other metropolitan areas across North America, if we look at it that way, we can be pretty proud of what has been achieved in the city of Toronto and in Metropolitan Toronto. Willy-nilly, it has been achieved in spite of, or possibly even occasionally because of, the fact that this has taken place in Ontario and not in Quebec or some other province and certainly not in a jurisdiction down in the United States.

The Chairman will be familiar with the kinds of gross imbalances that exist in terms of school systems between the central cities and the suburban municipalities in many parts of the United States. That goes so far in some areas as to get disparities of three, four or five to one in terms of the spending per pupil in rich suburban municipalities as compared to spending per pupil in the downtown area.

Here in Toronto there is, and has been for a long time, a relative equality. It has been achieved since the beginning of the 1960s and it has been achieved because of a policy of equalization which has been actively promoted

by this party and which, one way or another, the government has gone along with. At times, as under Mr. Robarts as Minister of Education, there was some leadership in that direction to say that just because of the accident of where you happen to live, where your parents happen to live, where your parents could find jobs or where you happen to be born, you should not be discriminated against in Ontario in terms of the relative quality of education which you are going to get.

My colleague the member for Oakwood (Mr. Grande) has done an outstanding job in terms of voicing not only the concerns of our party but also the concerns of a tremendously broad range of people in the community: parents, citizens, teachers and people concerned about the state of education generally. When he moved the amendment originally with respect to this subsection 6(4), which we are debating right now, he initially suggested that there should be a cap on it. The minister's original suggestion had been that there should be a floor in terms of the amount of the surplus that should be left in the hands of an area school board that happened to have come up with a surplus.

There was a certain conflict between those two positions, and I think it illustrated some spirit of compromise on the part of the minister—or at least I think so from reading Hansard—and on the part of people on this side of the House who were seeking to make fundamental changes in Bill 127 during the course of the committee hearing.

9 p.m.

I suspect that those representatives of the public, of parents' groups, school boards and teachers who were watching felt that as well, and went away from the session that particular day saying—

Interjection.

Mr. Cassidy: No, I was not there. I left it to my colleagues and they did a damned fine job as well.

I suspect that when they left that day, they said, "This is something we can live with." It says that if a school board chalks up a surplus, then to the extent that it has contributed tax revenues to that surplus, it should get them back. That is somehow in balance with the fact that the bill is also saying that if a school board chalks up a deficit, it will have to be responsible for meeting that deficit from its own taxpayers' resources rather than being able to dip into a

general pot, thereby having one school board contribute to the deficit from another area.

That is a part of the bill which has perhaps more acceptance than a number of the other very objectionable parts of this bill. It seems to me, on looking at the record, that what the minister really had in her mind, as she acquiesced in the proposal to the point where she actually read the words into the record in the amendment which she is now moving to have taken out, was to buy peace at any price. It was okay to make everybody feel good that afternoon or evening because the minister was going to take it all back once it got back into this Legislature where there would not be the same intimacy and the same direct contact with the people who were concerned with every line and every word of the bill. She would wait, she would bide her time, and then she would try to do it here in the House where she knew as well that she would not have to worry about one or two of her Conservative members wandering off, and her losing the capacity to actually take the vote.

Now we have the minister moving to restore the misguided clause that she originally had at the end of subsection 4, the part we are debating now. I do not know why she is doing it, but what I do know is that it creates very grave dangers. I want to speak to that, not only with respect to the danger it creates in Metropolitan Toronto but for the dangers I can see were this principle to be adopted and extended across the rest of the province.

The minister can scoff at that and say, "This is just a Toronto bill." The fact is we are putting in place a set of new principles in the way that two-tiered school board systems will work across the province were they ever to be applied anywhere else in Ontario. There has been a great deal of debate with respect to the school board system in Ottawa-Carleton. We have four, five or six, depending on how they are counted, different school systems in Ottawa-Carleton. The French-speaking education system is scattered through four school boards in a community of half a million people. It is a rather ludicrous situation and begs for fundamental changes.

If those changes were, in the wisdom of the government, to include some kind of a two-tier system—that was one of the proposals of the Mayo report—I hope that is not the case, but were that to be the case then we would find the same kind of thing happening to Ottawa as is now being proposed for Metropolitan Toronto.

We would find the government saying to certain school boards with the kind of subclause that we are debating here tonight: "Look, boys, you do not raise from local taxes nearly what you spend on education. Now we are going to ensure that the revenues from local taxation are going to be spread throughout the region. We are going to do that, but then we will tell you"—and this is why I object to the phrasing the minister is proposing now—"that if you save money you will not just get back your own money, you will also get back the money that other municipalities contributed to education in your area."

What that does is provide an incentive for mean, flinty school trustees and school boards to get control of certain school boards and to dedicate themselves, not to the welfare of the children, not to ensuring that our job of passing on education between generations is carried out, not to the meeting of special needs such as heritage language and special education, but to the one and only goal, the bottom line, of saving a dollar and reducing the taxes.

I hope there is much more enlightenment in terms of the electorate and in terms of that kind of single-minded goal. I believe that everybody in office as a school trustee should have a number of goals among which the efficient use of public resources should be one. It is the case that there are communities in Metropolitan Toronto right now where the demography is changing, where the community is ageing, where the people with kids do not have that much political weight.

I think of parts of North York, for example, where there are whole wards that are basically made up of suburban housing, where people have grown up and have apartments and there are very few children. There, trustee candidates could run on a platform, not of doing good for kids, but of doing good by saving money for the taxpayer. Then they would go and provide leadership within the school board, saying every dollar they raise and save as surplus will enable them to get \$2 or \$3 back from Toronto and other parts of Metropolitan Toronto.

I will repeat that, because this is the situation that is being proposed by the minister. If a school board gets \$1 million from the general pot, of which \$300,000 or \$400,000 is contributed by its taxpayers, financed by industrial-commercial assessment among other things, all across other boroughs and that kind of thing, and manages to pare its expenditures to the point where there is a surplus, in addition to

being able to pass back to the taxpayers the money contributed towards that surplus, the bill as it is proposed to be amended says the money other taxpayers contributed will also be passed back to the taxpayers in that particular borough.

If that is carried to the extreme, someone might effectively say: "Let us do our best to simply close the system down if we can get away with it, if the minister will allow us to do it. If we do that, if we save an amount equivalent to the entire local expenditure on schooling in this particular borough, not only can we spare people from any taxation they would have had to pay for schools in this borough, but we can give them back the equivalent in dollars again from the contribution that will come from other school boards."

That may be pushing it a bit hard, but that effectively is what is happening. If the board can save \$1,000 a taxpayer in a particular borough because local school expenditures have been pared, cut and chopped, then instead of being able to give that taxpayer back \$1,000, this section is saying it could give back \$1,500 or \$2,000 and the remaining amount of money would come from property taxpayers in other parts of Metropolitan Toronto. When one adds to that the degree of control that is being given to those same school boards, if that is the kind of priority they want to have over the kinds of education being provided in neighbouring boroughs, I believe that is a divisive and very dangerous situation.

The school board system in Metropolitan Toronto has worked imperfectly over time. It has not been an ideal mechanism. It is not going to work any better if the bill sets board against board, and trustee against trustee. That is what is being done in this subsection with the amendment that is being proposed by the minister.

It is my impression, from my knowledge of school boards—and I have watched school boards quite closely in this province for 10 or 15 years—because of the control of the educational administrators, the control of principals and teachers, and most of all the control of the Ministry of Education over what happens in school boards, because of the degree to which the spending of school boards is conditioned by the directives of the ministry and the requirements of the Education Act and so on, there is little room to manoeuvre in terms of what trustees actually administer or the policies that they actually effect.

9:10 p.m.

I think that is a bad thing. I feel there should be more discretion in the hands of local school trustees. We should be looking for ways to encourage autonomy rather than to discourage autonomy. In order to do that, we need better-paid trustees, we need politicians who will spend more time on school board work and we need trustees with more power to act and fewer orders being given to them from other levels, be that provincial or from the Metropolitan Toronto Board of Education.

Mr. J. M. Johnson: The NDP conference.

Mr. Cassidy: What are you worried about?

Mr. J. M. Johnson: You want to endorse the school trustees.

The Deputy Chairman: Order.

Mr. Cassidy: Is the member criticizing the work of the Toronto school board trustees? Is that what the member is saying? That has been the most innovative school board in the province. If you look at the hours—

The Deputy Chairman: The honourable member is speaking to the motion before the House. I suggest you not be distracted by these interruptions.

Mr. Cassidy: This is an important point.

The Deputy Chairman: It is not germane to the key motion before the House.

Mr. Cassidy: It is germane in this sense, Mr. Chairman—

The Deputy Chairman: Do not allow yourself to be taken in by the distractions. Speak only to the bill.

Mr. Cassidy: He is a distraction.

The Deputy Chairman: I know, but for the sake of maintaining good order, decorum and standing orders, stick to the bill.

Mr. Cassidy: I will say this to the member, if in a few years he is still a member, and the Minister of Education has succeeded by that time in having some kind of a regional or provincial school board structure so that every school board in the province is taking orders the way that the Toronto board will have to take orders from the Metropolitan Toronto School Board with the proposal of the minister right now, then he will find out why he is wrong.

The Deputy Chairman: Speak only to the motion before the House.

Mr. Cassidy: One of the points made by Ms. Dobell when she came before the committee was precisely the fact that the needs and condi-

tions of different school boards do differ very substantially even if they are in the same area.

In our situation in Ottawa, the Carleton school board is still going. The Ottawa board has had to cope with the problems of retrenchment and declining enrolment. That has been the case if we compare the Toronto and Scarborough boards. As my friend the member for Scarborough West (Mr. R. F. Johnston) was pointing out, Toronto has a developed system of education in terms of heritage languages and special education, in terms of its education in French and that type of thing. Why is it that a kid who lives on one side of Victoria Park Avenue should have those privileges because he lives within the city of Toronto, and the kid who grows up on the other side should not have those privileges because of the fact that he happens to live in the borough of Scarborough? Sometimes that is beyond me.

What I was trying to say before I was distracted was that in general, and except in the case of an exceptional and effective board like the Toronto board, trustees feel there is very little they can control. Therefore, they will start to focus on those few things that have been put in their hands. If they have very few tools, they use the ones that are available.

What we are doing with the proposed amendment to subsection 6(4) of this particular bill is to put a particularly offensive tool into the hands of the Metropolitan Toronto School Board trustees. They can go home at the end of the day feeling really good because they did not have to do anything about the quality of education in the Metro Toronto school system. But they sure took what Bette Stephenson gave them to club away at Toronto in order to give money to a school board whose only virtue was that it was deliberately cutting back education and failing to meet real needs of children in its particular area in order to get some dollars back from the other school districts in Metro Toronto, in order to reduce the mill rate at the expense of children.

An hon. member: Bunk.

Mr. Cassidy: The member says "Bunk." He should know that this could happen in Hamilton and Burlington as well. It is not bunk, as a matter of fact.

Mr. Allen: Mr. Chairman, I would call your attention to the fact that I believe there is not a quorum in the House at this moment. Would you ascertain that, please?

The Deputy Chairman ordered the bells to be rung.

9:19 p.m.

The Deputy Chairman: We have a quorum. The member for Ottawa Centre was speaking to Bill 127, an amendment to section 6.

Mr. Cassidy: Everybody knows, it is transparent, that the minister wants to use the Metro school board to step on the Toronto Board of Education.

The Deputy Chairman: I would ask the honourable member not to repeat himself. You have made those points. If you could, continue with new points because we do not want to have repetition.

Mr. Cassidy: Rather than jumping on me, Mr. Chairman, you might give me a chance to say a few words.

The Deputy Chairman: The chair is becoming anxious that members are repeating themselves and not speaking to the subject.

Mr. Cassidy: I am not repeating myself at all, Mr. Chairman. I am sorry about that.

The Deputy Chairman: You are just repeating yourself.

Mr. Cassidy: I do not know what kind of ruling you want to make about this.

The Deputy Chairman: My ruling is that I asked you not to repeat yourself.

Mr. Cassidy: I am sorry, Mr. Chairman, you are now repeating yourself by telling me not to repeat myself.

The Deputy Chairman: Just follow my orders.

Mr. Cassidy: Everybody has assumed that the minister wants to step on the Toronto Board of Education because of the number of NDP trustees who are on that board. I want to suggest that the real thing the minister seems to have in mind is that, because of the excellence of the work the Toronto Board of Education has done over the course of the last few years. The minister now wants to step on that because the quality of the work, and the thinking that has come out of the Toronto Board of Education, is putting her own ministry to shame.

9:20 p.m.

The Toronto Board of Education has provided leadership on heritage languages and has got rid of the two-year and three-year level high school courses. The Toronto Board of Education has been raising the issue of the kind of education we are giving to working-class kids and asking what it should be doing within

technical and vocational education. That is taking place because of leadership from the trustees, the administration and the teachers. We are in the position, in education as in many other things, where Toronto is looked to as a leader across North America by many other municipalities which are jealous of what has been achieved and wish they could do the same thing in their area, in the United States and in parts of Canada.

I ask myself, as Ms. Dobell asked in her brief, why tamper with success? Why tip the balance? Why squash something that is good, productive and positive? The local autonomy and discretion that have been given to the Toronto Board of Education have led to a tremendous influx of fresh ideas and approaches which, in many cases, are being emulated across the rest of the school system in Ontario. Why is it the minister, with this amendment and the rest of the bill, is seeking to squash that innovation and put the Toronto Board of Education into some kind of a straitjacket, all in a spurious search for some kind of fiscal equality which may or may not translate into real equality or opportunity for the kids who are affected?

If we had one single school board in Metropolitan Toronto that took in every child from the Rouge River on the east to the Humber River and on into Etobicoke on the west and all the way up to Steeles in the north, does the minister really think the amount of dollars spent per child would be absolutely the same in every school under the one-tier Metropolitan Toronto School Board? The answer, of course, is no. If we look at any board, the Ottawa board, or the Carleton board, or the Nipissing board, or the Windsor board, or the Wentworth board, whichever board of education we look at, there are substantial disparities in spending for different kids, different situations and different schools. That is because of different needs.

A great deal may have to be spent on a child at one time. The child may need to be taken out for special education for three or four periods a day, or may need some counselling or assessment. It may be, if we totted it all up, that in a year we have spent \$7,000 or \$8,000 or \$9,000 within a public board of education on the education of one particular child. In another case, a child may get only \$2,000 or \$3,000 spent on him or her. It depends on the circumstances.

What I find offensive is that the minister has defended her amendment by saying that the principle is one of equal access to education, equal opportunity in education and the equita-

ble distribution of financial resources. Then she is saying that the suburban boards, by chalking up surpluses, have the power to dip their hands into taxes that have been raised on property by taxpayers in other parts of Metropolitan Toronto. I am suggesting that if she is looking for an equitable balance, it should be that if the deficit is incurred in a borough, it will have to find the dough to pay for it, but if a surplus is generated in a borough then let the borough get back a good portion of the surplus it raised.

If she does any more, she serves our kids badly, because she provides an incentive to trustees to cut and slash in order to generate surpluses and transfer resources from elsewhere within the system. What that in turn could lead to, rather than having equality by levelling up, is the minister really talking about a kind of equality by levelling down. There will be a downward spiral as board after board compete with each other in order to cut their expenditures more, in order to get more of these surpluses to give money back to the childless couples, people who may have grown up and forgotten what it was to have children who needed education in their families, and people who have never had kids. Trustees will seek to cater to that kind of opinion rather than doing their job and ensuring the best possible education for their kids and for our kids.

I cannot stress enough that this particular amendment, this backtracking or flip-flopping by the minister, is absolutely fundamentally dangerous in terms of the incentives that it provides to trustees, and the incentives are counter-educational incentives. They are fiscal incentives that are designed to diminish rather than augment the quality of education. They are incentives that are designed to discourage innovation and ideas, particularly in the suburban boards. They are incentives that are designed, therefore, to help to ensure that the boards continue to be slow in responding to the changing needs for education that are now occurring within their boundaries.

I have travelled a fair amount across Metropolitan Toronto in my days as leader of this party, and before and since, meeting with individuals, touring communities and talking to parents. To give one example: the situation in the Jane-Finch corridor in North York. That is not an area which is short of children. That is an area that has too many kids, too many crowded classrooms, too many substandard situations. It is scandalous, in my opinion, that the North York Board of Education has tolerated that

situation as long as it has and taken so little action in order to ensure that those kids get equality compared to kids who grow up in the Bridle Path area, or in the other better ends of North York, where in some cases you may have only 150 or 175 children going to a very ample school that was built for two or three times that number.

There are some real inequalities built in right there, and the North York board has chosen to ignore them because when the people in the Bridle Path say "Jump," that board jumps, but when people in Jane-Finch say, "We have needs," and cry out for help, in the past they have gotten the back of the hand from the North York Board of Education. That is the kind of mean spirit which I fear may spread itself across education in general in Metropolitan Toronto with the kind of incentives that are being built into the bill.

When my friend from Scarborough West was running in the by-election and attempting to succeed Stephen Lewis, I went through a number of the high-rises, knocked on doors, and did some work in order to help ensure that he was elected. That was a very interesting cross-section because one has always tended to assume that the core of Metropolitan Toronto is in the city of Toronto; that is where the working class lives; that is where immigrant people live; people who are new Canadians; that is where people with modest incomes live. Whereas the picture of the suburbs is the bungalow and a couple of cars and maybe a cottage and a bit of affluence and that kind of thing.

Mr. Chairman, you know from your own riding in the Durhams that such is not a full description of your area and certainly it is not a full description of areas such as the older parts of Scarborough, North York or Etobicoke. There is a large ethnic population in Lakeshore and in Etobicoke. In Scarborough West there is a tremendous variety of ethnic origins and of incomes; a lot of families living in high-rise apartments whom one might expect to find in downtown Toronto, but they have been priced out of downtown Toronto and have moved to Scarborough.

They are living in high-rises because they cannot afford a home or because they are trying to save for a home and it always seems to be out of reach. They have some special educational needs which are equivalent to the needs of some kids in the downtown core schools in Toronto. Those needs, in many cases, are not now being

recognized or met because the suburban school boards have been slow to meet them.

9:30 p.m.

What is going to happen through the amendment the minister is proposing here? What she is doing is dangling a carrot in front of those trustees to say: "Don't worry about the needs of those people who live in Richard Johnston's riding. After all, they probably voted NDP. Don't worry about them. Worry about the tax rates on the people who live in the fancy mansions down near the lakeshore and in other parts of Scarborough. Worry about their needs and put their needs, their concern about having a few dollars to go to Barbados for a winter holiday, ahead of the special needs of people whose kids just want a reasonable chance and a reasonable start in life."

That is what this bill and this section is saying because it provides a financial incentive to the school boards in the suburbs to act in that way. I would have thought that recognizing—

Hon. Miss Stephenson: It is a financial incentive to Toronto as well.

Mr. Cassidy: Don't be so cross.

Hon. Miss Stephenson: I am not cross. I was just reminding you that Toronto is a part of this system. It is an incentive to Toronto as well.

Mr. Cassidy: Toronto was a part of this and Toronto demonstrated convincingly in the last election that when it comes to a choice between quality education, to the limits that can be achieved within whatever constraints are set by the minister—

Hon. Miss Stephenson: Mr. Chairman, a point of clarification: I believe there are six Toronto trustees on the Metropolitan school board. Five of those Toronto trustees voted in favour of that section of the bill, which is precisely the same as the amendment I am introducing tonight. They are in favour of prudent spending.

Mr. Cunningham: If you believe that, you will believe anything.

Mr. Cassidy: By the way, I must say it raises some questions in my mind.

Mr. Bradley: What do they say about Suncor?

Hon. Miss Stephenson: They have not talked to me about Suncor; should they?

Mr. Cunningham: They are in favour of prudent spending; just wild about it.

Mr. Bradley: What do they think of Minaki Lodge?

Hon. Miss Stephenson: Ask the people in Minaki.

Mr. Bradley: Or land banking.

Hon. Mr. Bennett: The principal fellow who led that party went up there and tried to—

Mr. Bradley: What did they think about the jet.

Mr. McClellan: I think the Chairman should adjourn the House for grave disorder.

Mr. Cassidy: Particularly by the member for Ottawa South (Mr. Bennett). The minister has raised it. I did not intend to, but it raises some questions about the representativeness of the Metro school board. A lot of people, parents, teachers and others came before the general government committee to object to Bill 127. If they came from the boroughs, what they were saying was their people on the Metro school board sure did not represent them when it came to this bill.

When we have a system where the Metropolitan Toronto School Board is appointed by internal procedures; it is therefore not open to individual parents, community groups, parent-teacher groups or whatever, to go and actually defeat a person who is a member of the Metropolitan Toronto School Board. It is a very difficult system.

It is like the system that sees a nonelected chairman in Metropolitan Toronto. That person can never actually be challenged in front of the electorate because he never has to face the electorate.

Nobody ever faces the electorate with respect to his election to the Metropolitan Toronto School Board. It is a caucus situation and the caucusing is done, particularly on the suburban boards, by a group of long-standing trustees. To change that balance takes a matter of a number of years. I recognize that it will take a number of years to change the temper, the tone and the composition of the area school boards to the point that new people will get elected.

For that matter, there are real practical problems about the Metropolitan Toronto School Board. Quite simply, when one serves on a school board these days, one serves on it for an honorarium and not for a salary. If one serves on the Metropolitan Toronto School Board, one gets a further honorarium, but it is not commensurate with the additional amount of time one has to devote to the metro school board, if one is going to do the job properly.

That means there is a tendency to have people who say: "I will do the job, I am retired. I

have the time to go and take control of the Metropolitan Toronto School Board." That is with reference to their activity on that particular board.

The Chairman was stretching. I will return to the bill but I was provoked by the minister to that answer.

Five members of the Toronto school board, some 20 months ago, made the proposal there should be this particular bill. The Toronto school board came before a committee of this House and indicated strongly that it was opposed to Bill 127, that it believes the principles entailed therein are wrong and that it wants to have the bill fundamentally changed, not to rule out the principle of prudent spending, but to rule out the other things the minister has slung into the bill because of her vendetta against the Toronto Board of Education.

Mr. Chairman: How about this amendment?

Mr. Cassidy: Mr. Chairman, I am close to the end of what I wanted to say, though I shall want to speak on other portions of the bill. I guess there is not much point pleading with the minister about its implications because her heart is cast in stone. What I would say, though, to the member for Wellington-Dufferin-Peel (Mr. J. M. Johnson), the member for Burlington South (Mr. Kerr), the member for Sault Ste. Marie (Mr. Ramsay), the member for Ottawa South (Mr. Bennett), the member for St. David (Mrs. Scrivener), the member for York East (Mr. Elgie), the member for Stormont-Dundas-Glengarry (Mr. Villeneuve) and the members who are here—I will not mention the member from Etobicoke who is in strange company right now—is that the principles entailed in Bill 127 are wrong.

These members know from discussions in their own caucus that their caucus colleagues from Metropolitan Toronto, with the exception of the minister, dislike this bill intensely. They know this bill is taking the amount of legislative time it is because it is a bad bill that is fundamentally wrong in principle.

I want to urge all of these members to start doing what they always do when people say, "What do you do?" and start to work behind the scenes to get the Premier to ditch the bill or change it fundamentally; to get the Premier to call Bette Stephenson into his office one day, have a little tête-à-tête and say, "Bette, we cannot afford this any more."

Mr. Chairman: The minister.

Mr. Cassidy: To tell the minister, Mr. Chairman, that up with this he will not put, and you will not put, any more. There is no point putting this entire Legislature through this charade night after night, day after day, week after week because the minister is so hard-headed, so stubborn, so adamant, so obdurate and so unwilling to compromise and to move. I think it is time we put the kids of Metropolitan Toronto ahead of the misguided desires of one minister in the Davis cabinet.

Mr. Van Horne: Up with this he will not put? Is that what he said?

Mr. Cassidy: Yes.

Mr. Foulds: If it was good enough for Churchill, it's good enough for us.

Mr. Cunningham: Mr. Chairman, I am going to be somewhat brief in my comments tonight. This section of the bill really brings us to a point, as I was discussing with my good friend the member for Bellwoods (Mr. McClellan), that is perhaps an opportunity for reconsideration of the bill itself.

This particular clause really relates to the fiscal responsibility we would hope every individual board in Metro would demonstrate in the discharge of its responsibilities. Frankly, I do not think there is an individual board in the Metro board that wants to spend money foolishly or wants to discharge its responsibilities in a negative fashion or an irresponsible manner.

Perhaps this is an occasion where the minister, if she is as broadminded as I think she is, unlike the view or disposition by the former leader of the New Democratic Party, might rethink this and reflect upon this section with the idea of effecting some compromise on the bill.

Naturally, members of the opposition would prefer to throw Bill 127 out in its entirety. That would be my personal preference. Obviously, that is not going to happen. But perhaps through this debate, and especially because of the extent of it, the minister might be impressed with the seriousness of members of the opposition with regard to this bill. In particular, this amendment causes me to think there is an opportunity for a sober second thought here.

Possibly we might contemplate ending the restrictions on the control of the local levy and on the joint bargaining provisions, which are not part of this particular section of the bill, but we could in turn, to reciprocate, make individual local boards responsible for their own deficits. Frankly, I think, with few exceptions, the his-

tory of the operation of this rather complicated board has really been a very good one and, in essence, quite a model. I think it was that very concept that Ms. Dobell had in mind when she paid what I thought were compliments not only to the Metro board but even to the Ministry of Education on several occasions during her presentation to our committee.

9:40 p.m.

Members of the government, I think, have expressed what is supposedly analogous to Conservative philosophy by saying, "If it ain't broke, don't fix it." We have a situation here where really the system has not broken down all that severely, and in essence, "It ain't broke." I offer that analogy for you.

Without getting into long, arduous detail here, I would really encourage the minister to reflect on the process we have gone through. We spent a great deal of time in committee entertaining the discussions from various groups. I thought we had endeavoured, as my friend the member for Parkdale had described very adequately—

Interjection.

Mr. Cunningham: Sorry, am I interrupting you two?

Mr. Chairman: Carry on please.

Mr. Cunningham: Oh, thank you very much. I know we were reticent to challenge you, because we always are reticent to challenge you; and a challenge would be something, would it not?

I sense maybe by way of the minister's interjection, which I did not hear, that she is not well disposed to the compromise I have suggested to her very simply. But I hope she will rethink this, because we are not making what I would characterize as a great deal of progress on this bill. Simply put, if there were several changes, I think that maybe we could look at this bill with a more enlightened approach than she would characterize to date.

Again I say to her that in exchange for making local boards responsible for their own deficits and/or surpluses she might look at changes in the local levy control and assessment and, as well, put an end to the joint bargaining process. Frankly, I think that would make for a very viable bill. Again my preference is that we get rid of it in its entirety, but I offer those very brief comments to the minister.

In conclusion I would say that, unlike some members, I do not criticize her for changing her mind, as she has by way of her amendment here today. I do not share the disposition that at least

I sensed with other members in committee when this particular section of the bill was debated originally. I do not fault anybody for changing his or her mind in this process whatsoever. I only hope that through this process we will see some equity, some fair play and some common sense, and I appeal to the minister on those grounds tonight.

The Chairman: The member for Bellwoods, speaking to the amendment to Bill 127.

Mr. McClellan: That is correct, Mr. Chairman. I am just trying to get my notes together here.

The amendment has already taken, I gather, about five hours' debate on this round of the bill. I heard your predecessor in the chair speak rather ruefully about that, but I hope you understand, sir, and I am sure you do, how deeply important this particular amendment is. It is an incentive to boards of education within Metropolitan Toronto to cut back education services, to generate a surplus and to keep a good chunk of that surplus, regardless of whether the money is raised within the local boundaries or not, in order to keep the property tax rates down, and for the trustees therefore to reap the political advantages that flow from keeping the local property taxes down.

I pointed out before that it is not possible under our legislation, and under the guidelines and regulations of the Ministry of Education, for a local board of education to plan deliberately for a surplus in any given fiscal year. A local board of education cannot strike a budget and say, for example, "At the end of the fiscal year, we will have a surplus of \$2.045 million." I stand to be corrected if the minister wants to correct me.

Hon. Miss Stephenson: Mr. Chairman, it is my understanding that there is nothing in the legislation which prevents it, but I would think logic and common sense would prevail in most situations. Indeed, no institution usually plans in that kind of way. They cannot budget for a deficit.

Mr. McClellan: Well, I would like to see the board of education that would sit down at the beginning of the year, draw up its budget, submit it to the Minister of Education with the request for the usual grant allocations showing a big chunk of surplus; or submit it at whatever part of the process. I must confess not to be an expert in the red tape of the Ministry of Education, I make that confession from the outset. There is no ministry in this province that

imposes more red tape on more people than Education.

Hon. Miss Stephenson: On a point of clarification: We have invited the members of the opposition to hear explanations or presentations regarding the educational financing system, and one or two of this member's colleagues have attended. If the member needs some assistance in that direction, we would be pleased to provide it.

Mr. McClellan: That is awfully kind of the minister. I have been at many sessions of the Ministry of Education estimates when the red tape has been unravelled for us. Occasionally we even get tangled up in it, but that is by the by. I am simply making the point that it is not part of the normal budgetary practices of a board of education to sit down at the beginning of the year and plan its budget with a view to how much money it intends to keep by way of surplus at the end of the year.

Nevertheless, the minister is changing the legislation so that there is a very definite incentive for local boards of education to produce a surplus. There is only one way that a board of education produces a surplus and that is by cutting back on anticipated programs that have been planned and budgeted for during a given fiscal year. I want to spend some time on the assumption behind that thought and behind this amendment, that it is somehow acceptable for local boards of education in this community, in Metropolitan Toronto—and I would guess anywhere else in Ontario but particularly in Metro Toronto—to generate a surplus by cutting back on programs.

The argument that is put forward by the Minister of Education is, of course, a very simple one. We are in a period of declining enrolment, there is surplus capacity in our school system, if I can put it that way, and we are in a position where we are able to cut back in terms of educational services and programs—lay off teachers, close schools and save money all at the same time. It is a wonderful situation we have, a wonderful opportunity for local boards of education to generate surpluses by cutting because the argument goes: "We have surplus capacity already. All of our educational needs are being met. Therefore, it is okay to cut, it is okay to generate a surplus."

We have before us some evidence that some of the boards of education in this community have been generating very hefty surpluses. In 1979, the North York Board of Education ran a surplus of \$2,137,000. In 1980, the North York

Board of Education generated a surplus of \$869,000.

Hon. Miss Stephenson: Do you know what North York's budget is? It is \$225 million.

Mr. McClellan: I realize that \$869,000 is just peanuts to a high flyer like the Minister of Education, and so is \$2,137,000.

Hon. Miss Stephenson: No, no. I am just suggesting that it's not a huge surplus.

Mr. McClellan: This is too insignificant; I realize that this is too insignificant for me even to be raising it. I do apologize for it.

9:50 p.m.

Hon. Miss Stephenson: You are really the most snide individual I have ever met.

Mr. Philip: No, you are the most snide.

Hon. Miss Stephenson: No, I don't hold a candle to him.

Mr. Nixon: This is moving too fast. Try to slow it down.

Mr. McClellan: I will do my best.

Mr. Chairman: Speaking to the amendment.

Mr. McClellan: Yes; I have been rudely interrupted. I am simply trying to collect my thoughts. I am sorry, I have misled the House.

Mr. Nixon: Okay, let us deal with that one.

Mr. McClellan: I apologize. I was giving surplus figures where, in fact, they were deficit figures. I must start again.

In 1976, the Etobicoke Board of Education ran a surplus of \$1,795,000. Again, I realize these are piddling amounts in some circles, but they—

Hon. Miss Stephenson: No, they are not piddling amounts, but they are not huge surpluses within a budget.

Mr. McClellan: In 1977 the Etobicoke board ran a surplus of \$1,446,000, and in 1978 the Etobicoke board ran a surplus of \$2,661,000.

Mr. Philip: It shows what great planners they are, doesn't it?

Mr. McClellan: In 1979 the Etobicoke board ran a surplus of \$602,000, in 1980 a surplus of \$2,444,000, and in 1981 a surplus of \$904,000.

The other board that has managed to run really large surpluses over the course of the last few years has been the Scarborough Board of Education. In 1977 it ran a surplus of \$500,000; in 1978 a surplus of \$4,353,000. Again, I apologize for the paltry sums. In 1979 it ran a surplus of \$3,180,000; in 1980 a surplus of \$1,632,000; in 1981 a surplus of \$2,045,000.

Mr. Chairman: Will the member refresh my memory as to how this ties in?

Mr. McClellan: Yes, sir. The amendment talks about giving an incentive to these same boards of education to generate even larger surpluses. I would have thought the tie-in would have been self-evident to a man of your perspicacity.

Mr. Chairman: I am just a backwoods lawyer from Newcastle. I am in the big city trying to find my way. I need some help.

Mr. McClellan: If you were to take the amendment at face value, you would get the impression that somehow the boards of education in Metro need some kind of incentive in order to generate a surplus, would you not, Mr. Chairman? The reality is, of course, that many of the boards are already running huge surpluses; from where I stand, anyway. The minister disagrees that these are significant amounts of money. But in terms of special programs, special services, for example, in Scarborough particularly—I notice the Provincial Secretary for Social Development (Mrs. Birch) is present. She would agree that with an additional \$4,353,000, which is not an insignificant amount of money, a lot could be done in her community for the children with learning disabilities. We are talking about adding some extra itinerant teachers to help children to read; that is a lot of money to a project like that.

Somehow an assumption is being conveyed that it is quite all right to generate these kinds of surpluses because we are already meeting all our educational needs. I want to deal with the evidence of whether we are meeting those needs, and whether it is responsible for government to be moving an amendment that gives an incentive to boards of education, in particular to our suburban boards, to run additional surpluses.

Let us go through the evidence as to whether it is justifiable or responsible to give an incentive to boards of education to run a surplus. As I said, you run a surplus by cutting back.

We started to address this issue in the city of Toronto in the mid-1970s after a number of studies were done with respect to what was happening in our school system. The first piece of evidence I want to make reference to is a study that was done by the Board of Education for the City of Toronto as far back as 1974. This was the drop-out study, Patterns of Dropping Out, by Vivienne Young and Carol Reich, who

were researchers at the Toronto Board of Education.

Prior to 1975, the Toronto Board of Education was one of those boards that had also been running a surplus, quite a substantial surplus, in each of the years 1970, 1971, 1972 and 1973. It was only \$111,000 in 1974 but in 1975 there was a surplus of \$3,094,000.

What was the situation in Toronto when its board of education was accumulating relatively large surpluses at the end of each fiscal year?

First, the drop-out problem: Citing this study from 1974, page 43, the summary of conclusions and implications: "The size of the drop-out problem in Toronto is staggering. From our sample, we estimate that approximately 7,500 students dropped out over the course of the year, or 24 per cent of the total secondary school population. This is a rate about two and a half times what has been reported for other Metro boroughs. Breaking down these figures by grades, it appears that only 40 per cent of the students entering grade 9 will graduate from grade 12 and only 20 per cent from grade 13."

That was the situation in the city of Toronto during the last year in which the city of Toronto engaged in the practice of accumulating surpluses in its education budget. The drop-out rate equalled 24 per cent of the total enrolment in the secondary school system, a drop-out rate that meant only 40 per cent of the students going into grade 9 would get out of grade 12 with a diploma, and only 20 per cent, one in five students in the city of Toronto in 1974, who entered grade 9 could look forward to graduating with the grade 13 diploma.

"The picture of drop-outs which emerges from this study is of young adults whose decision to leave school is part of the fabric of their own personality, present circumstances and view of the future, as well as their past record of poorer than average academic performance." They go on to categorize the different reasons for dropping out.

I will not go into the rest of the findings of the study, but I would hope that a Minister of Education in 1982 would have at least a passing recollection of that historic study. But no, she is quite content to continue her regime of cut-backs and to continue to bring in amendments that encourage and give financial incentive to boards of education to cut back.

A second major study that was undertaken in the city of Toronto about the same period of time was referred to as the Every Student survey. It was called The 1975 Every Student

Survey: Students' Background and its Relationship to Program Placement, done by Ramesh Deosaran and Dr. E. N. Wright, head of the research department of the Toronto Board of Education.

Mr. Chairman: Are you speaking to this amendment?

Mr. McClellan: I think I have established the connection.

10 p.m.

At a time when the city of Toronto was running surpluses in its education budget—in case you have forgotten what we were talking about, Mr. Chairman—

Mr. Chairman: No, I haven't.

Mr. McClellan: I have already talked about the first study, which identified a drop-out rate of 24 per cent of enrolment. The second study was of achievement within the Toronto school system at a time when these large surpluses were being accumulated in the city. I will make reference briefly to that study.

Approximately 30 per cent of the students in Toronto Board of Education schools were born outside Canada and almost 50 per cent did not have English as their first language, according to the Every Student survey. The survey was conducted in May 1975, based on a questionnaire answered by 98 per cent of the students from kindergarten to grade 13. It showed that the makeup of the city had changed considerably over the past five years.

Children born in Portugal had taken over from children born in Italy as the largest group of foreign-born students. The second largest group was West Indians, whose numbers had more than tripled since 1970, when the last every student survey was done. Students born in Italy ranked third; China, including Hong Kong and Taiwan, was fourth; Greece, fifth and Britain, sixth.

The survey found that almost 28,000 students were born outside of Canada, five per cent more than in 1970. On the 1970 basis, the proportion of Italian-born students decreased by more than 50 per cent and while almost all countries showed a higher number of students in the elementary panel than in the secondary panel, Italy had twice as many students in secondary schools as in elementary schools.

The students were also ranked according to their mother tongue. The survey showed that there were then more than 42,000 students in Toronto whose home language was not English and that there were an additional several thou-

sand students who spoke dialects of English but who were born outside of Canada or whose parents were immigrants. Children whose mother tongue was Italian still formed the largest language group other than English but their numbers had dropped from 13,000 in 1970 to 9,250 in 1975. Portuguese was the second largest language group, with Greek third and Chinese fourth.

Several language groups had grown smaller since 1970, including Polish, Yugoslavian, Ukrainian, German, Macedonian, French and Hungarian.

The survey did not classify West Indian students according to home language, since their home language is generally English; so it did not reveal how many Canadian-born children there were of West Indian family background in addition to the 5,000 students born in the West Indies.

The survey found that the socioeconomic background of students was generally a far better predictor of school success than either country of birth or mother tongue. Quite frankly, this was a very startling finding in the Every Student survey. I will repeat again, "The survey found that the socioeconomic background of students was generally a far better predictor of school success than either country of birth or mother tongue."

In other words, the Every Student survey gave us a picture of a school system that was in a sense frozen by class. The class bias in the school system was so pervasive, according to the finding of this survey, that children from working-class backgrounds were found to be frozen into a lower rate of academic achievement than children from middle- or upper-class backgrounds.

There was a completely ossified social structure within the school system. If you were from the bottom of the ladder when you went into school in grade 1, you would be at the bottom of the ladder when you came out of school in grade 12 or whether you dropped out at some earlier time. If you were lucky and you were streamed into a three- or four-year, dead-end program, you were frozen according to the background of your parents.

This spoke to the lack of upward mobility in this province, to the falseness of the mythology that Ontario was somehow a land of pure opportunity where those from any class background could achieve, regardless of any disadvantages they may have at home, because of the extraordinary support they received in our

school system and from our society. That was revealed to be false for the children of the city of Toronto.

Mr. Bradley: That used to be on the licence plates: "Province of opportunity."

Mr. McClellan: "Province of opportunity." That is correct. That used to be a motto in Ontario. Now, of course, the motto is "Keep the promise."

Going back to this historic survey, more than 42 per cent of Toronto students were found to be in the lowest socioeconomic group based on the occupation of the head of the household. Much higher percentages of immigrants than of nonimmigrants were in this lower group, which included such jobs as labourer and factory worker. For Italians and Portuguese, for example, the figure was more than 70 per cent. For children born in Canada whose first language was English the percentage was only 26.5 per cent. That is wonderful.

For working mothers the disparity between immigrants and English-speaking people was equally great. Seventy-two per cent of working mothers whose first language was other than English were employed in the lowest occupation category. For working women whose first language was English the percentage was 27. Only 1.7 per cent of working mothers whose children's first language was not English were in the highest, mainly professional, occupation group, but 7.6 per cent of English-speaking working mothers were in this category.

Students of parents in the lowest occupation group had a 20 per cent chance of ending up in a level 1, 2 or 3 program. Children of parents in the highest occupation group had only a three per cent chance of this kind of school placement. If you were the bottom of the economic ladder, your chances were one in five of ending up in a level 1, 2 or 3 program, the very dead end—a 20 per cent chance. But if your parents were in the highest occupation group, in the top quintile, you had only a three per cent chance of ending up in a level 1, 2 or 3 program. Is that not miraculous?

Those of us who studied social science were all taught about the marvels of the bell curve, and teachers in teachers' college are all taught about the marvel of the bell curve, about the perfect distribution of intelligence and aptitude: so many on the positive side of the curve, so many on the negative side of the curve. It is perfectly symmetrical, and it all balances this out with mathematical precision as long as you come from the top end of the occupational

strata. If you come from the bottom end, it is just a little bit skewed, is it not? One in five.

The survey revealed that 85 per cent of Toronto high school students were in the two highest of the five high school levels. The children whose parents were on welfare or mother's allowance or who lived in group homes had only about a 40 per cent chance of getting into these two top levels. The rest of these children were in level 1, 2 or 3 programs.

The same pattern emerged for level 5 programs. The survey found that students whose parents were in the lowest occupation group had only a 50-50 chance of enrolling in a level 5 course of study, while students whose parents were lawyers, engineers, etc., appeared to have nine chances out of 10 of enrolling in such a course. That is pretty good if you are shooting craps. Those are pretty good odds if you are in the top bracket.

Mr. R. F. Johnston: This is the year they sent back \$3 million in surplus.

Mr. McClellan: Yes. Just to refresh our memories on what we are talking about, this is the year the city of Toronto had a surplus of \$3,094,000 in its budget. The minister is asking us to accept an amendment here that would add a further incentive to boards of education to generate surplus funds.

Since you resumed the chair only recently, Mr. Chairman, I am reviewing the evidence with respect to the justification for permitting boards of education to cut back and to raise surplus funds.

10:10 p.m.

Children whose parents were in the lowest occupational bracket had six times as much chance as children from the highest bracket of being in special programs for students with academic problems. If you are from the bottom of the ladder, your children are six times as likely to be in special programs. In 1975, they were called special programs for students with academic problems; now we refer to them as programs for children with learning disabilities. I suppose there is some measure of progress in some jurisdictions—

Hon. Miss Stephenson: We call it programs for exceptional children.

Mr. McClellan: We have made some progress there. But, really, six times as many chances for the poor as opposed to the rich?

The survey showed marked differences in the makeup of the Toronto school system's six areas. The vast majority of students in areas 5

and 6 had English as their mother tongue, in sharp contrast to areas 2, 3, and 4. For example, area 3 had almost as many students with Portuguese as their mother tongue as students whose home language was English. That happens to be the area that I represent. Areas 5 and 6 also had considerably higher percentages of students born in Ontario than other areas had.

In terms of parents' occupation, area 6 is quite unlike the other five areas. For instance, while area 6 had 49 per cent of its students from homes where the household head was in the highest occupational group, area 3—my area—had only three per cent in this group and more than 62 per cent in the lowest occupational group.

Between 1970 and 1975 there was a decrease of six per cent in the proportion of students born in Canada. To put it another way, while 25 per cent of students surveyed in 1970 stated they were born outside Canada, 30 per cent of those surveyed in 1975 gave this response. The rest of this is statistical breakdown.

The fact remains that what the Every Student survey identified was that it totally ossified an almost completely rigid social structure within the largest board of education in the Metropolitan Toronto area. The people at the bottom end of the social and economic ladder were being frozen by the school system on to the same bottom rung. If you were disadvantaged when you went into school in grade 1, you would be just as disadvantaged, in an almost perfect correlation, when you came out of school wherever you came out and if you dropped out or were dead-ended out.

That was the critical problem the Toronto Board of Education started to confront in the mid-1970s: a school system with a horrendous drop-out rate; a school system with a tremendous bias against working-class immigrant children; a school system that was dead-ending children, freezing them into lives of disadvantage and denying them the same kinds of opportunities that were available within the same school system for children of the well-to-do—like us in this assembly.

Is the situation unique to the city of Toronto? Are we talking about a phenomenon that exists only south of Eglinton and Lawrence or only south of Bloor Street? Of course not. The Minister of Education pointed this out just a few minutes ago when my colleague from Ottawa Centre (Mr. Cassidy) started to describe the stereotype of suburban life as the mom and dad and two kids, with two cars and two garages, a

swimming pool and a wonderfully affluent lifestyle.

First, that mythology is just that: a mythology. It totally ignores the reality of the suburban communities as they have developed, particularly over the course of the past 15 years. We are indebted to the Social Planning Council of Metropolitan Toronto for doing a very thorough and detailed analysis of the kinds of changes that have taken place in our suburbs, the same suburbs that are running the same kind of surpluses in their school boards in 1981 that the city of Toronto was running in its budget eight years ago.

I want to spend a minute on the most recent evidence with respect to this issue before us, because the Social Planning Council of Metropolitan Toronto's study, *Metro Suburbs in Transition*, dealt explicitly with this question that is in front of us tonight, on whether it is justifiable for suburban school boards to be generating surpluses, as though somehow they had managed to meet all of the educational needs in their community.

The old stereotypes were that the suburbs were homogeneous communities of middle-class folks who were generally pretty mobile, upwardly mobile, reasonably affluent, at least comfortable, stable families, prosperous neighbourhoods, with no crime, no social problems, where everybody was the same. They all spoke the same language even. They all looked the same. Those stereotypes are absolute nonsense.

The kinds of conditions I was describing as having been identified by social scientists in the city of Toronto in 1974 and 1975 are identical in our suburban communities, absolutely identical.

Let us look at the evidence as we looked at the evidence from the city of Toronto.

Page 99 of the first volume of *Metro Suburbs In Transition*, Part I: Evolution and Overview, is talking about the kinds of changes that have taken place in the suburbs over the course of the past 15 years.

"The projected enrolment decline in suburban public schools can be somewhat misleading. There are communities north of Highway 401 where significant numbers of elementary school children still exist. Boards that are reorienting themselves to decline in other parts of the municipality are faced with demands from north of Highway 401 to expand educational facilities and services.

"Fewer suburban households now have direct relationship with the school system. Increasing numbers of suburban elderly who wish to remain

in their homes found school funding from the property tax to be a heavy financial burden.

"Direct provincial funding of education continues to decline in relation to funds raised from the property tax. Metro suburban municipalities do not have direct access to the commercial assessment base of the city in raising revenue for local services.

"The demand that is heard loud and clear by suburban trustees from the general community is to keep education taxes low."

Of course, that is the clamouring voice that the Minister of Education is responding to in this amendment.

The study goes on: "There may be fewer children in Metro suburban schools, but there are more special needs to be addressed."

Table 5 indicates: "In the last four years the suburban proportion of Metro's inner city (that is, high-need enrolment) increased from 29 per cent in 1975-76 to nearly 35 per cent in 1978-79. Most of this increase has been in Scarborough, with some increases in North York."

This reference is to Scarborough and North York: North York, which ran a surplus of \$1,852,000 in 1978, and Scarborough, which ran a surplus of \$4,353,000 in 1978.

Figure 5 provides another view of the same concern. "Metro suburban schools now contain almost 44 per cent of children from families on social assistance," the highest number being once more in Scarborough. Suburban schools are now facing similar conditions to those that inner-city schools have faced for many years. They are having to face these conditions, however, in a time of economic instability, declining enrolment and an indifferent political climate.

10:20 p.m.

"As a result of these conditions, there are some neighbourhood schools in more recent areas of rapid suburban growth where serious overcrowding exists. School resources are inadequate to address the learning and developmental needs of their pupils. Teachers feel strained, intimidated and overwhelmed. Children are tired and undernourished, and a climate of disorder and violence prevails. One teacher interviewed during the course of this project stated she had to quit after a year of teaching in one such school north of Highway 401. The conditions facing her were similar to those encountered when she taught in a depressed area of Harlem in New York City in the late 1960s. Her sense of disbelief was in associating these conditions with the physical environment as it first presented itself.

"The neighbourhood appeared to be just another higher-density suburban area with apartments, plazas and townhouses. It was easy to drive through and be unaware of the social conditions that existed behind a range of ordinary physical structures. When social development patterns change significantly within a short period of time, the limitations of existing frameworks becomes more evident. The decline in the life cycle stage from zero to nine in the suburbs is not merely an item of passing demographic interest. New social conditions are created for which existing responsibilities may be inadequate. The future wellbeing of people, and in this case of children, is tied, however, to the inability to respond as required."

The study identified an increase in children in the suburban inner-city areas with special needs. It also identified the critical failure in capacity to respond to these special needs. Now we have a minister bringing in a program of incentives that deliberately ignores these needs, that deliberately, systematically and methodically pretends these social needs in our suburban inner-city areas do not exist, and that gives the suburban school board a direct financial incentive to cut back, to eliminate programs, to generate a surplus to keep the tax rates low, to reap the political benefits of keeping the rates low. But what happens to the children?

Is there nobody over there who understands this? Does the Provincial Secretary for Social Development (Mrs. Birch) not understand the implications of this bill and this amendment for her own community; or the previous Minister of Education, the government House leader, the member for Scarborough North (Mr. Wells)? He just told me Scarborough was doing a great job.

Hon. Mr. Wiseman: You are on page 120 now.

Mr. McClellan: I could read it verbatim if you want.

The Deputy Chairman: Do not allow yourself to be distracted from your presentation on section 6.

Interjections.

The Deputy Chairman: The member for Bellwoods has the floor. Just carry on please.

Mr. McClellan: The era of suburban and metropolitan innocence in Metropolitan Toronto is over, the report concludes. For those with rose-coloured glasses who live surrounded by a self-imposed cushion and cocoon of affluence and opportunity, it serves them well and serves

their political purpose to remain deliberately ignorant of these social realities in their own communities and on their own doorsteps.

Many of you over there come from metropolitan suburban areas which have just as many immigrant kids as area 3 of the Toronto Board of Education which I represent. There are just as many immigrant kids with precisely the same occupational backgrounds, with precisely the same disadvantages in the school system as were identified in the school drop-out report of 1974 and in the Every Student survey of 1975. Those communities are located in Scarborough, North York and Etobicoke. They are located in ridings which are represented by members of the government party.

It is beyond my belief how they can pretend that these problems do not exist in their own bailiwick, on their own doorstep; how they can continue to pretend that it does not matter, that they ignore these problems which have been identified with such overwhelming conclusiveness by the social planning council study. This was not a study done by one or two staff people working in some downtown office. It was a study done by a team which involved literally hundreds of volunteers from your local suburban communities, doing a self-analysis with the help of scientific research techniques.

"The era of suburban and metropolitan innocence in Toronto is over. Stable post-war images of urban life in Metro with clear social distinctions between the city and the suburbs in the belief that Metro would sustain continued population growth into the indefinite future no longer correspond to the social reality of what exists today, or to the conditions which will have to be faced in the coming decade."

You cannot pretend that it is a sign of an "us and them" situation, if you take that paragraph seriously. What it means is that the social problems, people have pretended for so many years, are confined to portions of the inner-city part of the city of Toronto, are somehow contained there as though there was some cordon sanitaire around the city of Toronto that locked all of its social problems into the city boundaries and preserved the suburban areas from some kind of contamination; yet all of the evidence indicates that all of the problems that we have tried to raise with this government exist in equal measure in the suburban communities; that the problems are just as serious in the suburban schools as they are in some of the schools in my own riding of Bellwoods, that the children of—sorry, what did the minister say?

Hon. Miss Stephenson: I wasn't interrupting you. Do proceed, for goodness' sake.

The Deputy Chairman: If the member finds it an appropriate time to break he could move—

Mr. McClellan: I move the adjournment of the debate.

The Deputy Chairman: Just so we can rise and report.

Mr. Nixon: I don't know of any rule that says we have to.

Mr. McClellan: There is no rule. You can leave any time.

On motion by Hon. Mr. Wells, the committee of the whole House reported progress.

METROPOLITAN TORONTO POLICE PRACTICES

Mr. Speaker: Pursuant to standing order 28, the member for Riverdale has given notice of his dissatisfaction with the answer to his question given by the Attorney General (Mr. McMurtry) concerning the Attorney General's response to the member's questions on the Proverbs matter. I would now recognize the member for Riverdale and remind him he has five minutes.

10:30 p.m.

Mr. Renwick: Mr. Speaker, I will be very brief. I am sure the Attorney General at some point will have occasion to read these remarks. I gave notice on Friday last of my dissatisfaction with the replies he made to the supplementary question I addressed to him on Friday, November 19, and also to a further question and supplementary question I put to him later on that day.

The first question I raised with him was that people might well have the view that there is a reasonable apprehension that the Attorney General might not be able to take an impartial view of the matter when he reviews the transcripts or the police report in what has become known as the Proverbs matter.

Later on that morning I asked that there be a public disclosure and discussion by way of investigation in whatever forum the Attorney General might choose so that the matters and the methods used and disclosed by those tapes, by the police and in the trial would be reviewed publicly.

The Attorney General did not reply to that question in any satisfactory way. He simply said he had nothing to add and then went on to explain that he would not make any further statement about it. I again suggested to him by

way of a supplementary question that in view of the serious reflection on the whole of the police it was his obligation to make certain there was a public inquiry. He again referred to the police investigation.

I commented that he might well be biased in the legal sense of that term, not because of any necessary personal interest he would have but because the statements he had made indicated that to be the case and that he was not aware of his obligation in a matter that was pending before the courts not to make any comment about the matter until such time as the trial had been held.

You will recall, Mr. Speaker, that on June 26, 1981, Mr. Proverbs was committed for trial on a weapons charge out of an incident arising on Labour Day 1980. Early in January 1982, Mr. Proverbs had handed over five hours of edited videotapes to Sergeant Bullied, who then delivered them to Sergeant Reynolds and then on through, which led to an internal police investigation at the Metropolitan Toronto Police.

Nothing occurred with respect to that of any public knowledge so far as I am aware. On August 3, there was a letter from Mr. Proverbs to the Attorney General. Again, that matter did not come to the attention of the public until September 5, when the Star published the various tapes. At that point the Attorney General is reported to have said that all of the allegations had been reviewed by the Metropolitan police and his own crown law officers:

"I am advised by my crown law officers that the police have reviewed all these allegations to determine if there is any substance or could be any substance in any of them, and I am told, again through my crown law officers, that the view of the Metropolitan Toronto Police is that there is no substance to any of these allegations." It was also similarly reported that the Attorney General had said, "My crown law officers have advised me that there is nothing in the tapes they see to warrant any action."

The very next day, that report having appeared on September 7 out of events of September 5, the Attorney General held a news conference on this matter and indicated that he had ordered an investigation by the Ontario Provincial Police of this whole matter.

There was a further statement on November 4, in which the Attorney General said: "This was an outrageous suggestion and the police officer has brought great discredit to his force by making these statements to Mr. Proverbs. The end does not justify the means when it

comes to slandering one's own police force in order to obtain information from somebody who is a known con man."

It is my view that the Attorney General cannot bring that degree of impartiality, and he is not prepared to recognize that—and, indeed, he categorized any suggestion as foolish that he would not be able to be impartial in his decision.

I again call for a public inquiry into the whole matter surrounding the so-called Proverbs matter so that confidence will be maintained in the Metropolitan Toronto Police and so that the whole question of the methods and procedures followed by that police force will be known to the public and so that the matter of the tapes will be publicly discussed through a royal commission.

Mr. R. F. Johnston: On a point of order, Mr. Speaker: I just wanted you to recognize, if you would, with all the goodwill you can, the presence in the House of the member for Hastings-Peterborough (Mr. Pollock) as one out of 70 potential Tories who could be in their seats tonight.

Mr. Speaker: It is hardly a point of order but it is an interesting point indeed.

Pursuant to standing order 28, the member for Ottawa East has given notice of his dissatisfaction with the answer to his question given by the Attorney General concerning the Attorney General's response to the member's questions on the Proverbs matter and trial.

Mr. Roy: Mr. Speaker, I find it somewhat ironic, and I suppose I cannot blame the Attorney General for not being here this evening because he gets so little support on that side. In fact, the member for Hastings-Peterborough arrived half way through the member for Riverdale's speech. So the record should note that at one point there was not a single Tory in the House during this most interesting and important discussion.

The concern that I have is that over the last few months, and maybe over the last year, the administration of justice has had great difficulty and encountered serious problems indeed. Some of these problems have been raised in this assembly.

Mr. Speaker, you will recall that I underlined the very unfortunate situation dealing with the Hospital for Sick Children and the ongoing investigation. The fact remains that the investigation has been going on for quite some time and we have yet to have a report. We are facing the very unfortunate situation in that case where one person has already been charged

and, of course, discharged at the preliminary hearing. It could be very difficult to charge anyone else considering those circumstances.

My colleague the member for Yorkview (Mr. Spensieri) raised another problem about police apparently doctoring their evidence, working over their notebooks. We have heard evidence from Ottawa about police officers not telling the truth under oath. This has happened not only in Ottawa but in other areas of Ontario. Now we have this very unfortunate situation, the famous Proverbs situation.

This attack on the administration of justice required a very vigorous defence on the part of the Attorney General. Instead, we have had at times inconsistent and at times irrational conduct on the part of the Attorney General. My colleague from Riverdale has mentioned some instances, and let me review some briefly. When this situation was first discussed, the Attorney General made some public comments. I point out to the members that these were comments made by the chief law officer of the crown. They were made at a time when the preliminary hearing had already taken place and he knew full well that a trial before a jury is to take place.

He made a comment on September 7, in which he stated: "I am advised by my crown law officers that the police have reviewed all these allegations to determine if there is any substance, or would be any substance, in any of them. I am told again by the crown law officers that the view of the Metropolitan Toronto Police is that there is no substance to any of these allegations." This was said between a preliminary hearing and before the trial. It was repeated on September 7, and the member for Renfrew North (Mr. Conway) raised a question with the Attorney General indicating that on the same day he had said different things. He asked the Attorney General to review these allegations.

Again, on November 4, in the middle of a jury trial, the Attorney General made this statement, "An outrageous suggestion by the police and the police officer has brought discredit to his force." He went on to say, "The ends do not justify the means." In other words, we have the chief law officer of the crown commenting on the evidence in the middle of a jury trial. That is something that the jury is supposed to do, to review and determine the veracity and credibility of this evidence.

Finally, the Attorney General talked about "a known con man," the accused. Before the

accused has even had an opportunity to testify, he commented on the background of the accused.

Finally, the Attorney General said in this House that he looked forward to discussing this matter with us at the end of the trial. On November 9 I read the transcript to you, Mr. Speaker; the Attorney General said, "I look forward to discussing this matter." The trial is now over. Now the Attorney General says: "It may be appealed; it may be sub judice. I want to read the transcript now." He did not need the transcript when he was making his comments before but now he wants the transcript.

Then he went on to make comments like he did the other day, saying, "I would repeat everything I said." He said this last Friday in the House.

Given these statements, and given these serious allegations against the police, against the Attorney General, against even the Premier (Mr. Davis), against the chief of police, given all of these things, surely the administration of justice requires a vigorous defence. It has not had it, in my opinion. I feel that the Attorney General can give this vigorous defence by making a statement in the House and, second, by establishing a public inquiry by someone independent who will review all of these allegations. That can be done only by a judge and not by the police.

Mr. Speaker: I deem the motion to adjourn to have been carried.

The House adjourned at 10:41 p.m.

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Ontario

LEGISLATIVE ASSEMBLY

No. 153

Legislature of Ontario Debates

Official Report (Hansard)



Second Session, Thirty-Second Parliament

Thursday, November 25, 1982

Afternoon Sitting

Speaker: Honourable John M. Turner

Clerk: Roderick Lewis, QC

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LEGISLATURE OF ONTARIO

Thursday, November 25, 1982

The House met at 2 p.m.

Prayers.

ASTRA/RE-MOR

Mr. Swart: Mr. Speaker, on a point of privilege: I submit that my privileges and the privileges of all members of this House have been abused by the statements and actions of the Minister of Consumer and Commercial Relations (Mr. Elgie) in relation to the Ombudsman's report on Re-Mor.

I submit that this is a fairly serious matter, and I hope you will pay attention to my comments. I have here yesterday's Toronto Star article, and I quote from that article:

"The Ontario Ombudsman says the provincial government should compensate 320 investors who lost millions of dollars when Re-Mor Investment Management Corp. and Astra Trust Co., both of Niagara Falls, collapsed in 1980.

"Consumer Minister Robert Elgie said yesterday that Ombudsman Donald Morand made the recommendation in a report submitted to Elgie's ministry in July."

All the news media carried basically the same statement by the minister and, therefore, it appears to be accurate. I want to tell members that yesterday afternoon in the standing committee on general government the minister not only refused to give any further details but also refused to confirm or deny that the Ombudsman's report made such a recommendation. His comment was, "I guess if there are tapes of me saying that, I said it."

Mr. Speaker: I will call the honourable member to order, because in fact he does not have a point of privilege.

Mr. Swart: Mr. Speaker, will you hear this out a little further?

Mr. Speaker: No. I think you have established your point, and it is not a point of privilege. Your privileges have not been abused in any way, and I ask you to resume your seat.

Mr. Swart: Are my privileges not abused when the minister fails to answer a question on a point of information to the press and to this House?

Mr. Speaker: I cannot enter into a debate. Will you please resume your seat?

SECONDARY EDUCATION

Mr. Bradley: Mr. Speaker, I have a very brief point of privilege, which you as one of the members of this House will be very interested in. It concerns the Minister of Education (Miss Stephenson) and the fact that she will be making an announcement next Monday to directors and superintendents, I think, of education. Do you, as the Speaker, not think that very important announcement in the field of education should be made here in the House, in particular as it relates to the secondary education review project, before it goes to the directors?

Mr. Speaker: Order. That is not a point of privilege. I have no way of knowing—

Mr. Roy: I was sure it was.

Mr. Speaker: No. I would have to rule against that.

ORAL QUESTIONS

TOXIC WASTE DISPOSAL

Mr. Elston: Mr. Speaker, I have a question for the Minister of the Environment relating to a press conference which we held this morning. At that time we outlined our concerns over the potential contamination of Fighting Island, an island on the Ontario side of the Detroit River which until recently had been used by a US company, BASF Wyandotte, as a chemical dump since the late 1930s.

Since this island was to be used only for the residues from BASF's soda ash operations, which were conveyed in a slurry form through transnational pipelines, can the minister explain the presence of dioxin in herring gull eggs taken from the island at concentrations comparable to the dioxin concentrations found in herring gull eggs from the shores of Lake Ontario?

Hon. Mr. Norton: Mr. Speaker, first, I point out to the honourable member that it is important to understand the distinction between herring gulls and penguins. Herring gulls do fly. To the best of my knowledge there has been no dioxin detected in the area of Fighting Island. That fact certainly is borne out by the fish testing that we have done there, with perch, for example. We have found no detectable levels of

dioxin in the fish in the immediate area or in the sediments around the island.

I point out that in Saginaw Bay, for example, which is somewhat to the north, on the American side on Lake Huron, herring gull eggs have shown as much as 160 parts per trillion of dioxin. Movement of the herring gulls into that area and to the areas where those herring gulls are gaining access to dioxin is not at all unlikely.

I am not an expert on herring gulls, but it is my understanding that at some point on the radio this morning there was a fairly extensive discussion about the habits of herring gulls. If the member had been listening, he would have learned that at this time of year there is a major congregation of them in the area of the Niagara River. In fact, those herring gulls disperse around the Great Lakes.

I cannot tell the member where they might have had access to dioxin. It might very well have been at one of the Hooker sites on the American side of the Niagara River, during their annual convention, following which they returned to their habitat and elsewhere around the lake, with any dioxin they might have picked up then manifesting itself in their eggs. But to the best of my knowledge of any data that we have or that I have seen, there is no indication of dioxin having been found on Fighting Island.

Mr. Elston: I remind the minister that one of the reasons herring gulls are important to the scientific development and research in this province is that they are considered to be about the most sedentary of all birds and they spend a lot of time in their native colonies, if you will.

Mr. Speaker: Question, please.

Mr. Elston: In late 1979, the ministry's officials were informed by Michigan officials of their concerns regarding the contamination of the island by toxic organic pollutants. The island has been cited by the International Joint Commission as having the most contaminated herring gull colony in the Great Lakes basin, contaminated with polychlorinated biphenyls and other organochlorine chemicals. Yet the ministry's officials did not think the levels of the contamination were significant.

Why is it that, in spite of evidence presented to his officials over the past two years, his ministry has not adequately investigated the contaminated nature of that island, and when will a thorough, scientific, in-depth investigation commence?

2:10 p.m.

Hon. Mr. Norton: I do not think the member is giving full credit, where credit is due, to the efforts of my ministry. He would make it sound as if the only concern about potential problems with respect to Fighting Island rested either on that side of the House or in the United States.

We have been involved with Fighting Island for some time. We have done some core testing on the site. We have done some analysis of the sludge that was deposited there. In response to some findings by Mr. Hallett of the Canadian Wildlife Service with respect to contamination in herring gull eggs, we followed up on that to do some core samples on the site.

Although he had found some PCBs and HCBs in the herring gull eggs, we were unable to establish any correlation between his findings and what we found in the sampling of the deposits on Fighting Island. That information is available, and it is fair to say that we shared much, if not all, of the information we have with the member's researchers several months ago. I do not understand why the data we provided to him were not taken into consideration in the documents he seems to have presented at his press conference.

I trust the member is not trying in any way to distort the complete scientific picture that exists with respect to Fighting Island. I hope that is not his motive, although he has adopted an interesting style of doing it at press conferences rather than raising issues in the House. On this side of the House, we try to respect the rights of the members and raise the issues and give responses in this House.

With respect to the latter part of the member's question, he may be aware that there is a proposal for the rehabilitation of Fighting Island. This came prior to any knowledge of his press conference, I can assure him. As of this week, the cabinet on my recommendation approved an order in council that makes the proposal with respect to Fighting Island subject to the Environmental Assessment Act. That means there will be a full and complete environmental assessment of that island and of the proposal, at which time I hope there will be full public involvement in the examination of all the scientific data that are available.

Mr. Elston: We want you to do the scientific testing that hasn't been done.

Hon. Mr. Norton: We have done it.

Mr. Newman: Mr. Speaker, I draw to the minister's attention that on December 5, 1968, approximately 14 years ago, and periodically

since then, I have brought to the attention of his government in this legislative chamber the activities of Wyandotte, now BASF, concerning the use of Fighting Island as a waste disposal site, thereby polluting both the island and the Detroit River.

The International Joint Commission has found the presence of dioxin, PCBs and a host of other compounds in the herring gull eggs taken from the island, which was mentioned by my colleague. Given the presence of 82 US Environmental Protection Agency priority pollutants in the spoil material on the island, will the minister assure this House that he will have his ministry conduct a thorough scientific investigation of the island and do it in depth in view of the fact that there are plans for rehabilitation without knowing what is actually there?

Hon. Mr. Norton: Mr. Speaker, I trust the honourable member is familiar with the provisions of the Environmental Assessment Act in this province. I hope he understands that in the course of the preparation of an environmental assessment, in the course of the review of that document and the inevitable result, there will be public hearings at which the information will be subject to scrutiny and examination. All that information will be brought out, and any necessary further scientific work obviously will be conducted in preparation for that.

Mr. Peterson: The only time you use the act is when you don't need it.

Hon. Mr. Norton: Is the member saying he does not think we need it?

Mr. Speaker: Order.

Hon. Mr. Norton: I wonder if the Leader of the Opposition—

Mr. Speaker: No. Please resume your seat. He was interjecting; he did not have a question.

Hon. Mr. Norton: I would like to see that interjection on the record.

CHRYSLER NEGOTIATIONS

Mr. Newman: Mr. Speaker, in the absence of the Minister of Labour (Mr. Ramsay), I have a question of the Minister of Industry and Trade.

I am sure the minister is aware of the comments made in Detroit on Tuesday by Thomas Miner, chief negotiator for the Chrysler Corp., and he has noted with interest Mr. Miner's statement that Chrysler is planning to retool US plants to produce parts usually made by striking Canadian workers and that if the US workers will not co-operate, that work will be farmed out to outside suppliers.

My question is, what is the minister's reaction to this kind of threat or this kind of rhetorical blackmail made in the midst of a collective bargaining dispute between Chrysler and the United Auto Workers?

Has the minister contacted M. J. Closs, the president of Chrysler Canada, and called him to his office to find out whether this is his position as well? What is he prepared to do to ensure the jobs of more than 10,000 Chrysler workers are not stolen from them?

Hon. Mr. Walker: Mr. Speaker, I think it is very important that we recognize the kind of rhetoric that goes on in negotiations. I remember in the General Motors negotiations just a few weeks ago some rather strong statements were made by all sides.

It is rather important in these particular processes that we allow them to unfold properly and not overreact, not that the honourable member is overreacting. I am worried that the Chrysler Corp. and the United Auto Workers might overreact in these kinds of situations, and I think it is probably well warranted to be fairly rational and calm about the negotiating process.

Yes, I have had a chance to talk with officials involved. I have seen some of the statements involved. I have talked to Mr. Closs about the matter as recently as yesterday, and I have seen the published statements of the chief Canadian national negotiator, and he indicated they may be able to get the parts from some other place, perhaps in the United States, and those parts might then be brought into the assembly plants in the United States. However, the United Auto Workers there are not going to assemble them; so it does not seem to me that it accomplishes very much. I thought he was probably taking a reasonable view of the situation and no doubt that is what will prevail.

The most important thing in this case is to allow the parties to continue their negotiating, not to try to do it in a public way, and to recognize that the UAW is very well represented in its negotiating team and that Chrysler is well represented in its team. I understand they are talking a great deal. I know that our Ministry of Labour is very heavily involved in trying to keep the sides together. I think we must all have a significant degree of optimism that they will conclude with a settlement in the not too distant future.

Mr. Ruston: Mr. Speaker, I realize this question is directed to the Minister of Industry and Trade because the Minister of Labour is not here. Another official of Chrysler Corp. made a

statement that the negotiations were really a sham because they had to settle their agreement in the United States before doing so in Canada.

Does the minister not think there is a possibility that Chrysler could be charged with bad-faith bargaining when they hold negotiations for three weeks and then make the statement, after they break off the negotiations, that they do not intend to settle it because they had not yet settled their agreements in the United States? Does the minister not agree with me that in a way this is really bad-faith bargaining and that he should tell Chrysler and the union that he wants a settlement reached in Canada and that they should not worry about the United States? **2:20 p.m.**

Hon. Mr. Walker: Mr. Speaker, that is a pretty strong statement to be making, to make an accusation of bad-faith bargaining in this situation. Even the union has not made that kind of statement. I think we have to be cautious on this and let the settlement process continue. It is working and working well at the moment, I understand. I do not think there is reason for alarm on anyone's part.

Mr. Cooke: Mr. Speaker, I guess the minister is not keeping his ear to the ground if he has not heard the comments the union has made about Chrysler's bad-faith bargaining by saying that they will not settle with the Canadian workers before settling with the American workers. If I were the minister, I would be somewhat offended as a Canadian—

Mr. Speaker: Supplementary, please.

Mr. Cooke:—when a multinational company says to a Canadian union, "We won't negotiate with you until we settle with the American workers." That is bad-faith bargaining and an affront to all people in this province.

Mr. Speaker: Supplementary, please.

Mr. Cooke: Will the minister clearly indicate to the corporation that it is not going to get away with transferring jobs to nonunionized companies in the United States to source parts and that the auto pact is supposed to provide some protection? If the company thinks it is going to get away with it, will he recommend to the federal government that every possible aspect of the auto pact will be brought to bear on that company; in other words, all the tariffs that can be charged if the auto pact is violated will be levied against the company if it attempts to transfer one job out of this country?

Hon. Mr. Walker: Mr. Speaker, I do not think

the honourable member has to worry too much about what our position will be relative to the auto pact or to the law.

Mr. Wrye: Mr. Speaker, in the minister's earlier answer he said he would allow the processes to unfold properly. I suppose we could agree, if indeed that was what had been happening. But, given the comments that were made earlier this week following upon the earlier comments by Mr. Fisher, I think he can understand the concern the local members have.

First of all, since he talked with Mr. Closs yesterday, did the minister indicate very clearly to Mr. Closs that the comments made by Mr. Miner on Tuesday about pulling jobs out of Windsor and putting them in the United States are totally unacceptable to this government?

Given that the welfare of more than 10,000 workers, mainly in Windsor but also here in the Metro area, is at stake, and given that the welfare of an entire community is on the line, and I suppose I could argue that the welfare of a very large portion of the provincial economy is on the line, will the minister, along with the Premier (Mr. Davis), confer immediately with their federal counterparts with a view to issuing a joint statement letting Messrs. Iacocca, Closs, Miner and Fisher know that the federal and provincial governments will not allow Chrysler to strip this country even for a short time—one day, one month, one year or at all—of the jobs of its workers?

Hon. Mr. Walker: Mr. Speaker, we have communicated our position well, and we intend to continue to let it be known that we would consider it unthinkable in any case to have the jobs pulled out of this province.

JOB CREATION

Mr. Rae: Mr. Speaker, I have a question of the Treasurer. It relates to the job statement he made this week. Since the government's own figures show that for every temporary job created since May, four permanent jobs in the private sector have been lost, can the Treasurer explain how a simple reliance on the private sector is going to solve our unemployment problems?

Hon. F. S. Miller: Mr. Speaker, I recognize that there are responsibilities in both the private and government sectors. I am sure the honourable member, as a student of economics, understands that the private sector depends upon supply and demand for its products.

At this point in our history, for complex reasons, demand is low even though savings rates are very high. With a low demand for many consumer items, we are therefore running into very real unemployment problems. I would argue that it is our duty as a government to provide some of the jobs that have been lost in the private sector until such time as the overall climate of confidence returns, and I believe it is returning.

Mr. Rae: The minister's faith would be touching were it not so out of keeping with what is obviously the reality. Many jobs in the private sector have been lost permanently and are simply not being replaced.

In view of the Conference Board of Canada report published yesterday, and reported on this morning, in which they have projected dramatic increases in unemployment in this province for 1983, can the Treasurer tell us what his forecasts are for unemployment in 1983, since that is the only basis on which we can judge the adequacy of his own program?

Hon. F. S. Miller: I assume that if I had given the member any predictions for 1983, he would have told me I was no good at predicting; therefore, I have none.

Mr. Peterson: Mr. Speaker, the Treasurer is aware that the Conference Board of Canada says we are going to lose 76,000 jobs in addition to the 93,000 jobs we have already lost and that we will return to the employment levels of 1979. We are going backwards very rapidly.

Does the Treasurer accept those figures or does he not, recognizing that his own forecasts of less than a year ago, projecting an increase of some 125,000 jobs in this province, are 266,000 jobs wrong?

Hon. F. S. Miller: Mr. Speaker, the honourable member can understand why I answered the leader of the New Democratic Party that way, because he phrased the answer for himself. In other words, he does not really want to listen to any numbers I give him.

I have learned to have great respect for the conference board. I have also learned that the conference board is just as likely to be wrong as it is to be right; we have that problem too. I can only tell the member that the economy is changing pace at a faster rate than many economists have seen it do; it is more unpredictable than usual. I am delighted, however, to see some positive signs.

Yesterday I responded by saying I expect unemployment to get worse before it gets

better; so if the member asks me whether I follow the general trend of that, yes, right now we believe the general trend in employment will be downward before it is upward.

Mr. Peterson: What's good about that?

Hon. F. S. Miller: That is not good. I am just trying to be honest and realistic in answering the member's question.

One of the big problems, I suggest, is that all of us in any of our offices have a responsibility not to paint the picture too brightly or too poorly. There happen to be signs in the American market right now which I think are very encouraging. Bear in mind that sales of used houses in the United States have gone up by 25 per cent to an annual rate of 2.5 million. Bear in mind that new housing starts in the United States have increased dramatically to a level of about 1.25 million a year. Bear in mind that our basic markets for lumber are in the United States, not in Canada. Bear in mind also that almost all recoveries are led by the housing sector.

There are also signs in Canada—I met with the Housing and Urban Development Association of Canada this morning—that the housing market is recovering, thanks in large measure to lower interest rates, our \$5,000 and the federal government's \$3,000. Rates of sale are very high right now. Those are encouraging signs, because traditionally that is the sector that has led us back to healthy times.

Mr. Rae: On that very point, the preliminary figures show that in urban Ontario new dwelling starts in September are down by 52 per cent from last year, and, as the Treasurer knows, last year was not a very good year.

Since the Treasurer himself has noted the importance of the housing sector for stimulating other sectors of the economy, can he tell us why his government has not taken the initiative of launching a major construction project of its own in the housing field to produce 15,000 units in Ontario funded by the province, which would have a dramatic effect in producing employment in the province?

Hon. F. S. Miller: My friend will recognize that as of today there are slightly more than 9,000 applications for new homes under the Ontario program. He will understand that roughly half of those have been from people who have moved out of apartment buildings. So we have achieved two objectives—more than that, actually—we have had apartments freed up; we have had jobs created.

Mr. Foulds: That is why the vacancy rate is so high in Toronto and Thunder Bay.

Hon. F. S. Miller: If my friend will just calm down for a minute, I will get back to the statistics the member started off with, the number of starts. It happens that nearly all home builders let their inventory of finished homes run down while they appraised the permanency and the strength of these sales. In talking to HUDAC today, I was told they were waiting for serviced lots to be ready at this point because the demand for serviced lots has increased, and that there would probably be more start activity reflecting the sales they are now closing, the sales they are now getting the offers on.

2:30 p.m.

That is why the program we have carries on until August, I believe, for moving in, to allow people to qualify for the Ontario money. That is why the minister extended it. We believe, according to what HUDAC said this morning, that there will be starts across the winter. That is a very encouraging sign because that is the time we need them.

ILLEGAL RENT INCREASES

Mr. Rae: Mr. Speaker, my second question is to the Minister of Consumer and Commercial Relations. It concerns illegal rents. I have received copies of rent review decisions dealing with two apartment buildings in Welland and Thorold. In one of these decisions, the officer found that 66 of the 104 tenants had been paying illegal rents. In the other, the officer found that 25 out of 66 were paying illegal rents.

Given the extent to which this practice is clearly widespread—estimates range as high as 75,000 apartment dwellers affected by illegal rents—why has the government not amended the Residential Tenancies Act in order to allow the Residential Tenancy Commission to impose a penalty on landlords who impose illegal rents?

Hon. Mr. Elgie: First of all, Mr. Speaker, let us join together in one common, agreed commitment; that is, I do not approve of illegal rents any more than the member for York South does. It is true that at the present time, when the commission has an application before it and learns of an illegal rent, it is able to require a reduction of that rent. Part of the Residential Tenancies Act dealt with the establishment of a rent registry, but the part of the act that dealt with enforcement was struck down by the Supreme Court. Members will recall that I

indicated in my statement that the commissioner, Mr. Thom, was going to be asked specifically how we might accommodate and change our legislation in order to achieve the purposes we intended.

I have already told the housing critic that I have a great deal of sympathy with and agree that a rent registry program should be commenced. We are now looking at ways in which that might be achieved in the absence of enforcement provisions.

Mr. Rae: Without getting into an argument about what the Supreme Court said and whether or not it affects the rent registry, many of us have real doubts as to whether there is any legal impediment at all to the government's moving on the rent registry question. I would like to ask the minister why tenants have to go through this very cumbersome two-point procedure. They hear from the Residential Tenancy Commission that the rents should be at a certain level—it is buried somewhere well within the decision—and it is up to the tenants themselves to make an additional application to go back to the commission in order to capture any illegal rents which may have been charged.

Why can the minister not see to it that the commission simplify the procedure and give the commission the investigative powers it needs simply to go in and find out whether or not illegal rents are being charged, and not place all the burden on the individual tenant?

Hon. Mr. Elgie: With the additional funding we were able to obtain for the commission in October, and with the endeavours to build up the staff, particular attention is being given to that area and I hope we will be able to improve that aspect of the system.

Mr. Philip: Mr. Speaker, does the minister agree with the figures given by the Federation of Metro Tenants' Associations that there are now about 70,000 illegal rent increases each year? Why has it taken him a year and a half, since that section of the act was declared unconstitutional, to bring into force a rent registry as is being requested by various tenant groups?

Hon. Mr. Elgie: Mr. Speaker, I know that only as an estimate. It is very difficult, because of the way the act and the record of rents is currently constituted, to obtain adequate information. I have already indicated my views on a rent registry system.

ASTRA/RE-MOR

Mr. Bradley: Mr. Speaker, I have a question

for the Minister of Consumer and Commercial Relations regarding the Re-Mor matter. It concerns his reported comments that the government intends to compensate the Re-Mor victims. Why has this announcement taken so long, given the fact that Re-Mor collapsed 30 months ago and the Re-Mor lawsuits have been outstanding for 22 months?

Can the minister appreciate the tremendous grief and anxiety these people, many of whom are elderly, felt and continue to feel as a result of this delay in making some kind of announcement? Was this announcement forthcoming merely because of the lucky disclosure of the Ombudsman's interim report recommending compensation, something that has been in the hands of the minister for four months? I remind the minister I am talking strictly about Re-Mor now, not about Astra Trust.

Hon. Mr. Elgie: Mr. Speaker, I can well understand why the member does not want to talk about Astra Trust. He must be ashamed of the party he belongs to and of the behaviour of the federal party with respect to Astra Trust.

Mr. Bradley: It has nothing to do with that.

Interjections.

Hon. Mr. Elgie: Mr. Speaker, I apologize if I have created some furore over there. Perhaps they are troubled in some way I do not understand. Or perhaps I do understand; that may be the problem.

Let us understand the process here. Those members who are familiar with the Ombudsman Act will appreciate that the section 19 stage is a preliminary stage. In late July, the Ombudsman wrote to us in phrases such as, "It would be open to me to conclude that," "It would be open to me to find that," "It would be open to me to recommend that," and from that point on the matter is continuing in what is called a discussion and investigation stage. That is the process my deputy, on most occasions, has been involved in.

In addition to that, we have had discussions with the office of the Attorney General (Mr. McMurtry), because there are a number of investors who chose to proceed by the court route with the government financing the costs of a test case, unlike the federal government. I know I should not mention Astra Trust. I am not going to mention it because I do not want to embarrass the member. I know it is embarrassing.

Interjections.

Hon. Mr. Elgie: No, I do not want to trouble the member with it. I know he does not want me to raise it.

Interjections.

Mr. Speaker: Order.

Hon. Mr. Elgie: That sure gets people going, does it not, Mr. Speaker? There must be an awful guilt complex deep in there. In any event, I know we can have the member's help as we endeavour to speak to the federal government. I am not sure it will achieve anything, but I am sure we will have it. Let me assure the member that we are proceeding expeditiously on that. Whether information had been leaked or not, it would have proceeded at the same expeditious rate.

Mr. Cunningham: On a point of privilege, Mr. Speaker: I am sure the minister would like to correct the record and not leave any misconceptions for members of the assembly and the press. It was his predecessor in that ministry, the Honourable John Clement, who also served as Attorney General, who walked the application up to 555 Yonge Street to make his application for Astra Trust pursuant to the Ontario Loan and Trust Corporations Act.

Mr. Speaker: What is your point of privilege, please?

Mr. Cunningham: The misconception, quite clearly, that this was a federal matter, which is not consistent with the facts.

Mr. Speaker: That is no point of privilege.

Mr. Bradley: Dealing with Re-Mor, which is strictly within the purview of the provincial government and not a federal matter, let me say I am pleased the minister has made an announcement that he is intending to compensate. I commend him for that. It has made our fight worth while.

Is the minister going to compensate the Re-Mor victims for their full loss at the time of the collapse of the company, or are they going to have to wrangle with the provincial government for several more months before they can come to some kind of reasonable conclusion to this matter? Will the minister give full compensation?

2:40 p.m.

Hon. Mr. Elgie: As I indicated yesterday in committee, we are still at what is called the subsection 19(3) stage. The recommendations of the Ombudsman are in the discussion stage. When a conclusion has been reached and the

government has agreed on a response, the House will be informed.

Mr. Swart: Mr. Speaker, although the minister refused to answer questions in committee yesterday pertaining to the Ombudsman's recommendation for compensating the investors, I wonder if he would confirm here in the House what he said to the press, that the Ombudsman did recommend compensation to the investors? Can he confirm the comment he made to reporters outside the committee yesterday when it adjourned, according to this morning's Toronto Sun, that he hoped to make compensation offers within a few months to investors who lost money in the 1980 collapse of Re-Mor Investment Management Corp?

Hon. Mr. Elgie: Mr. Speaker, I hope to have matters related to the Ombudsman's report and his recommendations dealt with within the next few months, and I hope as quickly as possible.

VISITOR

Hon. Mr. Baetz: Mr. Speaker, I would like to have the privilege of introducing to the House the Honourable Claude Richmond, who is British Columbia Minister of Tourism and is in your gallery today. He is visiting Toronto and encouraging all of us to come to the next Grey Cup in Vancouver next year, when the Ottawa Rough Riders will be playing the British Columbia Lions.

Mr. Speaker: I am sure he is here to discover Ontario.

RENT GEARED TO INCOME CALCULATION

Mr. Renwick: Mr. Speaker, my question is to the Attorney General and it refers to the Ontario Court of Appeal decision in the case of Ontario Housing Corp. versus Valeda Timmins, in which the Court of Appeal held that payments for permanent disability under section 43 of the Workmen's Compensation Act were payments and receipts of a capital nature, not of an income nature, thereby defeating the claim of the Ontario Housing Corp. for arrears of rent.

Will the Attorney General, as his colleague had advised the House, tell us on what basis he advised the Ministry of Municipal Affairs and Housing that this case was limited to its own specific facts and was not available to benefit other persons in substantially similar positions to Mrs. Timmins?

Hon. Mr. McMurtry: Mr. Speaker, I have not read the decision myself. From the honourable

member's question, I assume some advice had been given by lawyers in the ministry to the Minister of Municipal Affairs and Housing (Mr. Bennett). I will read the case, review the advice and respond accordingly.

Mr. Renwick: Will the Attorney General, when he is reviewing that case, provide the assembly with a copy of whatever opinion was furnished by his ministry to his colleague the housing minister, and will he take into consideration the case, at present under consideration in the same court, of Mr. Wilfred Quesnel which is for practical purposes identical and is putting an 81-year-old man to substantial inconvenience?

Hon. Mr. McMurtry: I will certainly review the present cases before the court. As far as tabling a legal opinion is concerned, it is not customary for legal opinions to be tabled in this Legislature but it occasionally happens. I have tabled legal opinions in the past. There is a degree of confidentiality attached but I will certainly consider the possibility of tabling the legal opinion.

Mr. Roy: Mr. Speaker, in spite of the Attorney General's poor record in front of our appeal courts, including the Supreme Court of Canada, would he advise his friend the member for Ottawa South (Mr. Bennett) that before he gives an opinion about interpreting decisions he should perhaps check with the Attorney General and get an opinion from the crown law officers before he starts saying what decisions stand for in this province?

Hon. Mr. McMurtry: Mr. Speaker, I have not appeared in the Court of Appeal. I have argued two cases on behalf of the province of Ontario in the Supreme Court of Canada and in both cases our argument prevailed. My batting average is now 1,000 per cent. Even though the honourable member is from Ottawa, I doubt that he even knows where the Supreme Court of Canada is. I would be delighted to give him a personal guided tour the next time I am there.

Mr. Renwick: Does the Attorney General recall that in one of his appearances in the Supreme Court of Canada he lost a substantial portion of a case, nine to nothing?

Hon. Mr. McMurtry: On a point of personal privilege, Mr. Speaker: I did not argue that particular issue before the Supreme Court of Canada. I realize that the revisionist approach of my friends opposite would have me having argued the case. I did not argue that particular aspect of the case. The gentleman who argued it is one of the most distinguished constitutional

law scholars of this country, so I am not suggesting that the result would necessarily be different, but I think it is important just to clarify the record a little bit.

Mr. Roy: On a point of privilege, Mr. Speaker: May I state for the record to the Attorney General that he has what some judges refer to as a selective memory.

CLOSURE OF FACILITIES FOR THE MENTALLY RETARDED

Mr. Riddell: Mr. Speaker, I have a question of the Provincial Secretary for Social Development. I trust that in her role she has consulted with her colleague the Minister of Community and Social Services (Mr. Drea) about his ill-advised decision to close six centres for the developmentally handicapped.

Assuming that she has looked into the matter thoroughly, how can she, in all conscience, reconcile the following facts: One year ago, the minister in touring the Bluewater Centre commented on the excellent facilities, assured the parents of the residents in that centre of continuing care and congratulated the staff of the Bluewater Centre on the wonderful work they were doing for the people in their care, and yet today, one year later, the minister is prepared to close down that facility?

Second, on November 8, responding to a question from my colleague the member for Prescott-Russell (Mr. Boudria) the minister said she was aware of a great deal of consultation with the Ontario Association for the Mentally Retarded and other groups, whereas the truth is that no consultation has taken place and, in fact, the association found out about the closures only after the initial leak to the press and the people at Bluewater had never been consulted until after the fact. How does the minister reconcile this?

Hon. Mrs. Birch: Mr. Speaker, I would just respond to the honourable member by suggesting to him that was not the information I have been given. The member will also be aware that this is a program that will take place over the next five years. He has also been assured that no one will leave an institution until there are other community alternatives for those patients.

Is the member suggesting that those people within institutions do not have the right to live in communities of their own choosing? Do they not have the right to live as you and I? Are they to live the rest of their lives in institutions when

alternative means can be provided so that they can live with us in our own communities?

Mr. Riddell: Would the provincial secretary accompany me to a meeting at the Bluewater Centre and listen to the local citizens who are concerned for the residents living in that centre? As to the alternative, as I am sure the minister knows full well, it is a very small percentage of those residents who can ever cope with community living. What is she going to do with those who cannot cope?

2:50 p.m.

Second, will she impress upon the Minister of Community and Social Services that it is his responsibility to meet with the lower level of government, municipal councils, who have requested a meeting with him? The town council of Goderich, the Colborne township council, the citizens concerned for the residents living in that community and I myself have been trying for weeks to arrange a meeting with the minister, and he is simply acting like Pontius Pilate. He is washing his hands, and he is leaving the responsibility to his senior staff.

Will the provincial secretary impress upon the minister that it is his responsibility to meet with these people to try to convince them that they can take all those people out of the institutions, put them in a community setting and expect that they are going to cope?

Hon. Mrs. Birch: As I indicated, this is not an immediate move. At no time was it indicated that it was going to happen tomorrow. But there is something else the member should remember. The idea of announcing a program that is going to take five years to develop was to provide an opportunity for those who are working in those institutions to make plans as well. The minister has every intention of meeting with all of those groups of people within the next period of time before any changes are—

Interjections.

Mr. Speaker: Order.

Hon. Mrs. Birch: I do not know, but I am sure the Minister of Community and Social Services will carry out his responsibilities as carefully and as compassionately as he has done in the past.

Mr. R. F. Johnston: Mr. Speaker, that is precisely our concern, that he will carry out his responsibilities in exactly the same fashion as he has in the past, and that has not been particularly compassionately at all.

I would like to ask the minister—and in so doing I would like to say that I do believe most of these people can be deinstitutionalized—does she not believe that her ministry and the Ministry of Community and Social Services are giving deinstitutionalization a bad name in the way they are dealing with this whole issue? Many of us on this side have been getting letters from parents who are very concerned and very worried about what services are going to be put into the community, especially knowing the past record of this government underspending its budgets over the last five years in community projects.

Is it not the least she can do to ensure that the minister, who is, generally speaking, so hostile to all the groups he tries to serve and is supposed to serve, will reassure these people and meet with them to make it very clear that before anything is done, proper community programs will be put into place and we are not going to continue dumping people in the community?

Hon. Mrs. Birch: Mr. Speaker, that was a grand speech, but I have already indicated that there is no intention of putting people in the community until the resources to support them are there. We have repeated that over and over again.

Mr. Martel: I wish that would happen in Toronto for those people who are living on the streets.

CANCER TREATMENT

Mr. Martel: Mr. Speaker, I have a question for the Minister of Health. He has arrived just in time. Concerning the visit of Dr. Bergsagel and Dr. Blackstein to Houston, can the minister explain to the House how these two doctors, in a two-hour visit to the clinic in Houston, fraught, I am told, with hostility, determined that there was nothing of value to be found at the clinic?

Further, can the minister possibly explain why Dr. Bergsagel made the statement that Stephanie Kusan's condition has not improved since she left Princess Margaret Hospital, in view of the fact that they were prepared to do radical surgery to the right side of her face at the time she left Princess Margaret and in view of the fact that her own family physician, Dr. Doug Prince, says the new X-rays show a definite diminution in the size of the tumour in her maxillary sinus on the right side and the tumour now appears to have been confined to the medial wall of the right maxillary sinus?

Finally, does it not appear as though these

two good doctors had really made up their minds what their decision would be before they left Toronto?

Hon. Mr. Grossman: Mr. Speaker, I really am not prepared to comment on any of those things, since I have not yet received the formal report that we requested the doctors to file upon their return.

Mr. Martel: The minister will recall that when I wrote him on November 9, I suggested that when he sent these two doctors he should also send several others, including a Dr. Walde from Sault Ste. Marie, who in his report on four days spent in Houston made a statement which included the following comments:

"I had no idea what to expect on my arrival there and would not have been surprised to have found a backdoor operation directed to the exploitation of patients for financial gain without the benefits of any therapeutic activity of the program. I also thought that documentation of the clinical cases would be poor and incomplete, making evaluation difficult, if not impossible. I could not have been more wrong. What was encountered was beyond my wildest expectations."

In my opinion, what has transpired over the past week has really been distasteful. Could I ask the minister if he is now prepared to make a decision on this matter? If not, is he prepared to send a neutral group of doctors to look at this operation to see if it has some benefit for the people of Ontario in their ongoing battle?

Hon. Mr. Grossman: Let us put it in perspective. It is not really a decision for the Minister of Health to make as to whether or not he happens to believe this particular treatment is therapeutic or effective. The member will understand that. The Minister of Health must, of course, rely upon those who have the expertise in the field.

I think the member will agree with me that, with regard to this particular treatment and treatments in a variety of areas in health, one can hardly in a sense pick and choose a different panel every time one hears of a remedy or treatment that might be effective.

It is reasonable for the Ministry of Health in all jurisdictions to rely upon people such as the cancer institutes in their respective jurisdictions. The other experts in the field, in this case the National Cancer Institute of the United States, the National Cancer Institute of Canada and the Ontario Cancer Institute, comprising

among them probably all or almost all of the recognized international experts in the field in North America, have to date not accepted this treatment as therapeutically effective.

Mr. Martel: But Blue Cross and Green Shield have paid and are paying for it.

Mr. Speaker: Order.

Hon. Mr. Grossman: In addition to that, we picked two of the leading specialists in the field in Toronto and asked them to go down and review the circumstance. I am not prepared to comment on how much time they spent there or what happened there until I have received their report and analysis of what went on.

Let us further put it into perspective in that if we feel that the review they conducted there was not sufficiently thorough, the alternative, of course, would be to look to yet another group of medical experts to review the situation. But to date, all of the comprehensive review done in Canada and the United States has not held out this particular treatment as therapeutically effective.

Just to emphasize that point, as the member well knows, I believe shipment of the drugs across the state lines in the United States is not legal. Shipment of the drugs into Canada, as I understand it, is not legal either because—

Mr. Martel: British Columbia is now sending for them.

Hon. Mr. Grossman: No, the member is mistaken.

Mr. Martel: They are paying for the transportation.

Mr. Speaker: Order.

Hon. Mr. Grossman: I will deal with the BC situation. The Canadian government has not yet approved that particular drug for entry into this country. To clarify further, should the federal government approve that drug for use in Ontario, then the Ontario health insurance plan would pay the doctors for administering that drug.

Mr. Martel: That is not what I asked you today.

Mr. Speaker: Order.

Hon. Mr. Grossman: I would be disappointed if the member was not looking for a full explanation of the situation surrounding this tragic case.

Mr. Martel: You are ducking the question.

Might I also point out that the BC medical plan is not paying for anyone to be treated in Texas. The BC situation is that they have a

separate fund of \$50,000 which they use in hardship cases, from which they have decided, in the case of one patient, on a one-time-only basis, to make a payment.

That is dramatically different, I would remind the member, from saying that the BC medical plan approves this as a therapeutically effective situation. They simply assess the financial situation of a person who has a medical hardship situation and decide to pay it. It should not in any way be taken to indicate approval of that particular treatment and, in fact, it is not.

Interjection.

3 p.m.

Hon. Mr. Grossman: If the member does not have time for that particular case I might say at least I do.

Mr. Ruprecht: Mr. Speaker, I would like to ask the Minister of Health about a similar group of patients that has to go to West Germany to get treatment for the skin disease we have been talking about. Is the minister now prepared to make a statement that the Ontario health insurance plan will be paying at least a part of the fees to those people who have to go there?

Mr. Speaker: I think that really is not a supplementary to the question or to the minister's answer.

DEATH OF MARILYN GARTON WHELAN

Mr. Breithaupt: Mr. Speaker, I have a question of the Attorney General concerning a case with which he is very familiar. I am speaking of the tragic case of Marilyn Garton Whelan, who died under very mysterious circumstances in 1976, and of the exhaustive but vain efforts of her parents in Peterborough to bring to trial the person whom they believe to have been responsible for the death of their only child. Does the Attorney General recall all the particular unsettling facts of this case? With your indulgence, Mr. Speaker, I shall put only a few of them on the record of this House.

On September 25, 1976, Marilyn was reported by her husband to have fallen into the Trent River, and presumably to have drowned. She had been married for three months. Shortly before the marriage her fiancé purchased an insurance policy on her life for almost \$500,000. On the night on which she died she and her husband had gone for a moonlit stroll atop the lift lock and dam structures near Glen Miller, just north of Trenton. Marilyn did not know how to swim. The Ontario Provincial Police found her body downstream, one week later.

Throughout the week of searching her husband was not available to assist the police force. Her husband attempted to have the body cremated. At the urging of the parents the authorities blocked the cremation. The autopsy disclosed that Marilyn had ingested a large amount of Valium. Marilyn was an avowed non-user of drugs. Her husband had purchased the drug one week prior to her death.

The Attorney General knows these facts to be true because they emerged at the preliminary inquiry.

On November 24, Dr. Mervyn Whelan was charged with the murder of his wife and on March 23, 1977, at the end of the preliminary inquiry, to the disbelief of all involved, His Honour Judge Clendinning decided there was insufficient evidence to warrant a trial on the charge. Dr. Whelan is now reported to be in Saudi Arabia.

Since 1977, Marilyn's parents, Mr. and Mrs. Clare Garton, have struggled relentlessly to try to bring this man before a court of law to stand trial. Since the Ministry of the Attorney General has refused to prefer an indictment directly against Dr. Whelan on a charge of murder on the grounds that it would be contrary to public policy, what advice, if any, can the minister offer to Mr. and Mrs. Garton to assist them in their efforts?

Hon. Mr. McMurtry: Mr. Speaker, as the member opposite quite properly points out, this matter of the tragic death of this lady has been the subject of a considerable degree of controversy going back to 1976. I have met with Mr. Garton, her father. I believe the current Deputy Attorney General has met with him, as have other members of the Ministry of the Attorney General. I also believe that this case has been brought up in the Attorney General's estimates in recent years because there are, of course, many dimensions to this very tragic case.

Of course, as the member opposite can appreciate, when any accused person, regardless of what the circumstances are, is discharged at a preliminary hearing, having gone through that process, it is relatively rare, although it does happen on occasion, for the Attorney General to prefer an indictment directly, in other words, to nullify in a practical sense the discharge of the accused person at the preliminary inquiry. This is obviously a prerogative which must be exercised very cautiously by an Attorney General and, in the normal course of events, it is a prerogative that is exercised relatively rarely.

This is a matter that was canvassed by a

number of our lawyers, including myself, before a decision was made not to prefer an indictment. I do not recall all of the details now in view of the fact there is a considerable amount of history. I think the member opposite also knows that this is a matter that his colleague the former member for St. George raised with me on more than one occasion. I believe the late Walter Williston, QC, was also retained to act on behalf of the family in this matter.

It does have a rather long and somewhat complicated history. Again, in view of the fact that I am told by my House leader that the Attorney General's estimates are likely to commence within the next week, I continue once again to discuss the issues. I think it is obviously a matter that could require a great deal of time in so far as question period is concerned. I frankly do not recall all the details, although I recall a good many of them. I would be very happy to pursue the matter further with the member in estimates if he deems that appropriate.

Mr. Speaker: The time for oral questions has expired.

Mr. Breithaupt: Mr. Speaker, Mr. J. D. Takach, the director of crown attorneys, has said, "It is my respectful opinion that his Honour Judge Clendinning did in fact err in discharging the accused at the preliminary"—

Mr. Speaker: I think I must disallow that question. The time has expired. You may pursue it further tomorrow or in the Attorney General's estimates.

Mr. Epp: On a point of order, Mr. Speaker: I would respectfully ask that the House give unanimous consent so that my colleague the member for Kitchener can ask the remaining part of his question. In view of the fact that this is a very important matter, I am sure the Attorney General would not refuse to answer the question.

Mr. Speaker: It is beyond my authority to do that. I will put the question to the House. Do we have unanimous consent to extend question period? Obviously, we do not.

Mr. Roy: The record should show that it is the House leader—

Mr. Speaker: Do you want me to call a vote on that?

All those in favour will please say "aye."

Some hon. members: Aye.

Mr. Speaker: There is no vote.

Mr. Bradley: There is nobody opposed.

Mr. Speaker: Yes, there was, with all respect.

Mr. Bradley: I did not hear anybody.

Mr. Speaker: Well, I did.

REPORTS

STANDING COMMITTEE ON REGULATIONS AND OTHER STATUTORY INSTRUMENTS

Mr. Eves from the standing committee on regulations and other statutory instruments presented the following report and moved its adoption:

Your committee begs to report the following bills without amendment:

Bill Pr28, An Act respecting the City of Chatham;

Bill Pr29, An Act respecting the City of Hamilton;

Bill Pr40, An Act to revive Ceephil Investments Ltd;

Bill Pr41, An Act respecting the Township of Tiny;

Bill Pr43, An Act respecting the City of Burlington;

Bill Pr44, An Act respecting the Toronto Baptist Seminary;

Bill Pr46, An Act respecting the City of Orillia.

Your committee begs to report the following bill with certain amendments:

Bill Pr45, An Act respecting Ontario Bible College and Ontario Theological Seminary.

Your committee further recommends that the fees plus the actual cost of printing be remitted on Bill Pr44, An Act respecting the Toronto Baptist Seminary, and Bill Pr45, An Act respecting Ontario Bible College and Ontario Theological Seminary.

Motion agreed to.

STANDING COMMITTEE ON ADMINISTRATION OF JUSTICE

Mr. Eves, on behalf of Mr. Treleaven, from the standing committee on the administration of justice presented the following report and moved its adoption:

Your committee begs to report that it has decided not to proceed with the consideration of Bill 179, An Act respecting Restraint of Compensation in the Public Sector of Ontario and the Monitoring of Inflationary Conditions in the Economy of the Province, but to report it to the House at this time.

3:10 p.m.

Mr. Speaker: Shall the report be received and adopted?

An hon. member: No.

Mr. Foulds: Mr. Speaker, is it possible to debate the report on a motion for adoption?

Mr. Nixon: Why not?

Mr. Speaker: Yes, as a matter of fact it is.

Mr. McClellan: Let the debate begin.

Mr. R. F. Johnston: Let the debate commence.

Mr. Foulds: Mr. Speaker, we will oppose adoption of this report because we feel very strongly that the action taken in committee by the majority of Tory members against the opposition was unprecedented in the history of this House. We feel strongly that lack of precedence means the motion before us is in question. Not only that, the bill itself was not fully debated in the committee in any way, shape or form.

Hon. Mr. Ashe: You would not let it get started or we would not be here.

Hon. Mr. Eaton: You would not let it get started.

Interjections.

Mr. Foulds: It would appear we are going to have a lengthy debate on the adoption of this report as many of the back-bench Tories want to speak on the motion before the House. Many of the back-bench Tories will be released from their shackledom and will be able to speak fully and frankly as to whether they feel that legislation should be rammed through this House, and whether the government should bring the full force of its majority on 500,000 public servants and not create one job in this province.

Hon. Miss Stephenson: Rammed? Eight weeks. Is that ramming?

Mr. J. M. Johnson: What about September and October?

Mr. Ruprecht: Let them throw away the handcuffs.

Mr. Speaker: Order.

Mr. Foulds: One of the reasons the debate on clause-by-clause in committee took a little while and there was some prolonged debate on the bill was that the bill the committee of this House is reporting fundamentally affected collective bargaining rights in this province. It fundamentally affected the legislation under the jurisdiction of the Minister of Labour (Mr. Ramsay). Yet the government did not have the decency, did not have the courage, and did not have the foresight to allow the Minister of Labour to be brought before the committee and to testify before the committee about his role.

There was considerable concern by members

of the committee about the definition section of the bill in which the minister named in the bill was simply the Minister of Consumer and Commercial Relations (Mr. Elgie), when we know full well that the legislation does nothing to cut prices to a mere five per cent. It allows all kinds of pass-throughs, all kinds of depreciation costs and then, on top of that, allows an increase of five per cent. Yet that minister is named as the minister responsible for the bill.

In the definition section, we have a reference to the Treasurer (Mr. F. S. Miller), but we have absolutely no reference to the Minister of Labour.

Excuse me one moment, Mr. Speaker.

Mr. Nixon: Mr. Speaker.

Mr. Foulds: Thank you, Mr. Speaker.

Mr. Brandt: Do you want to share that with us?

Mr. Foulds: Yes, I would be glad to share the private conversation with my colleague. I just asked my colleague to go to the lobby and speak to the person I was talking to on the phone when I rushed into the House, to let that person know I will have to continue the conversation tomorrow some time rather than later today or this evening.

Mr. Speaker: I would like to caution the member the debate must be strictly relevant to the reasons for which he is against the adoption of the report.

Mr. Havrot: No more than five minutes.

Mr. Martel: We have plenty.

Mr. Kerr: Five minutes.

Mr. Foulds: Mr. Speaker, that is exactly the point I was attempting to illustrate before I was so rudely interrupted by the hecklers on the other side.

As is well known, only two subclauses of the first clause of Bill 179 have been considered by the committee, and I want to outline in some detail and some sincerity the reason for that. There have been a lot of allegations thrown around the back room of the Tory party that we were unduly delaying the bill with procedural motions. The only reason we in the New Democratic Party felt it necessary to move those procedural motions was that the bill was fundamentally flawed in its structure and the ministers mainly responsible for labour were not mentioned in the bill and were not willing to come before the committee to testify or to be present during the clause-by-clause debate of the sections relating to their responsibilities.

When the Minister of Labour was questioned in this House about whether or not he thought it was just that the bill before us—the bill that is now being, so-called, reported by the committee—would, for example, rob a person like Marie Mitchell working in the Pine Grove Nursing Home near Guelph of between \$400 and \$700, I frankly found it very startling that he said no, he did not feel it was just that the bill did that. He said he did not think a person, working for the kind of salary Marie Mitchell earns, which is about \$11,000 a year, could even live on that kind of salary.

Yet we had a bill before the committee that every member of this government voted for on first and second readings, and we could not get justification from the Minister of Labour, who is supposed to be protecting the rights of people like Marie Mitchell, or from the Chairman of Management Board (Mr. McCague), who is supposed to be protecting the rights of the civil servants who come under his jurisdiction. We could not get them before the committee.

So it was necessary for my party to put forward a number of procedural motions to get the appropriate officials before us. Those procedural motions failed, so we got into the clause-by-clause discussion, and we were in the process of debating the bill clause by clause in an orderly manner. We had not spent an undue amount of time on the definition section of the bill before the government members made a motion that the bill be reported.

Mr. Speaker, how can a bill be reported to this House when the committee through its Tory majority has abdicated the responsibility assigned to it by this House? The responsibility assigned to that committee by this House was for clause-by-clause consideration of the bill, and it has not even completed the first clause of that debate. What kind of abdication of responsibility is this? How can that committee in conscience report this bill? The bill cannot be reported, because it has not been dealt with. The committee did—

Hon. Miss Stephenson: Whose fault is that?

Mr. Foulds: Oh, it looks as if finally we are going to be able to get some participation from some cabinet ministers in this debate.

Mr. R. F. Johnston: You wouldn't come to the committee, but you will talk here. That's great.

Mr. Foulds: As I said, it looks as if we will have a lengthy debate on the adoption of this committee report, because it seems to us that unless the definition section of a bill is clear and

unequivocal and unless the definition section of a bill has the integrity of the legislation it purports to deal with, the bill itself is fundamentally flawed.

I want to point out that the justice committee is reporting a bill of which it considered only one out of 37 clauses. And if I may just deal with that first clause, which was partially dealt with by the committee, as I recall, that first clause has four subclauses. One of those subclauses states that the minister responsible is the Minister of Consumer and Commercial Relations. The committee had a commitment from the government that during the clause-by-clause debate of part III of the bill—that is the part that was not considered by the committee in committee—the minister responsible would be present.

3:20 p.m.

It seems to us that we could adequately deal with part III of the bill in clause-by-clause debate with the minister responsible present. But, for the part of the bill that came immediately after the definition section, the one that dealt with the Inflation Restraint Board, the government refused to bring before the committee the nominee for chairman of that board, Mr. Jack Biddell.

How could we deal with the arbitrary power assigned to that board? How could we have an understanding of how that board would deal with those powers assigned in this bill, unless we had the chairman of the board before us? How could the committee understand the implications of the legislation unless we had the chairman of the so-called Inflation Restraint Board before us? We genuinely felt we could not. Yet the government members blocked and defeated one of the procedural motions that was put in committee by our members to have the chairman of the Inflation Restraint Board brought before us.

How could we deal with the part of the bill that has to do with compensation for workers in the public sector, unless we had before us the Minister of Labour? We could not. In all honesty, we could not know the implications of the clauses that were before us unless we had before us the minister responsible for the administration of those clauses. More than that, one of the duties of a committee is to find out how a piece of legislation such as Bill 179 impinges on other legislation that has already been passed by this Legislature. There are grave implications. This Legislature has passed many other statutes

because of the arbitrary nature and the arbitrary powers assigned in this bill.

The committee was not allowed, by the Tory majority, by the bullying tactics of the Tories, to have the minister before it. Now, we get to the substance of the debate.

Interjections.

Mr. Foulds: The Minister of Revenue (Mr. Ashe) interjects to say that the debate has gone on for two months. That is not long enough. When we have before us a piece of legislation like this, which strikes down other statutes, and the implications of which we are not allowed to examine in committee; when we have a bill like this that infringes on hard-won bargaining rights; when the bargaining rights of workers, that have been fought for over 30 years, are struck down; when this committee says to the Legislature that it has adequately dealt with the bill and that it should now be reported, then I say the bill should not be reported, the debate has not been long enough, and the debate in committee has not been substantial enough. That is the major point I want to make. The substance of the debate—

The Deputy Speaker: Order, please. We have an unusual number of different conversations being carried on in the House. I know everyone is most interested in listening to the member for Port Arthur.

Mr. Foulds: The member for Wellington-Dufferin-Peel (Mr. J. M. Johnson) has kindly asked the page to bring me two glasses of water. I do have a bit of a sore throat, nothing serious, so I will occasionally have to pause and clear my throat. I am sure the Speaker and honourable members will understand when that happens.

I would like to get to the substance of the debate between our party and the other two parties on why this bill should not be reported. It is a disgrace that a bill of this nature should be brought before this House in the first place. It is a disgrace that a bill such as this, which abrogates the right of many workers and which abrogates the legislation this Legislature in saner and more civilized days has passed, should be rushed through the process. It is a shame that the number of affected interest groups were not able to be heard fully before the committee.

The Premier (Mr. Davis), who now wants this bill reported to the House, waited more than a year to decide what he should do to treat the serious economic malaise facing Ontario. We had signs 18 months ago that the interest rate, the inflation rate and unemployment were lead-

ing us to the brink of a depression. Yet the Premier waited, instead of bringing in action with his speech from the throne last spring, instead of having the Treasurer bring in job creation action in his budget in the spring.

We were told time and again that we were waiting for the federal government's economic policy recovery plan and that we in Ontario would then tie into that. However, what we had from the federal government was not an economic recovery plan, but a bill, and an action not unlike the action taken in the bill the committee now wants to report. It was simply a restraint program that put a freeze, a five per cent limit, on wages in the public sector.

After the Premier held his wet finger in the air, waiting to see which way the winds of public opinion were blowing, he decided it would be marginally favourable to the government to bring in this bill, which the committee now wants to report for third reading and which we object to.

The Premier thought this would give two impressions. He thought it would give the impression of leadership, which has always been dear to the Premier's heart even though he has never provided it. He also thought it would give the impression that the government was doing something about the economy.

I know that the polls that have been done publicly and, I suspect, the ones that have been done in more detail privately by market research for the Tory party, show the same thing: that the majority of people, if asked the question, "Do you support the government restraint program?" will answer, "Yes."

One of the rules of democracy is that the rule and the rights of the majority prevail. That is true. But another rule of democracy is that the rights of the minority will not be infringed upon or cast away for the benefit of the majority.

What has happened in this case is that the rights of a sizeable working minority in this province have been cast away. Some 500,000 people in this province have had their collective bargaining rights, compensation packages and arbitration rights totally and arbitrarily cast away by this legislation.

3:30 p.m.

In September, the Premier arrogantly said that we—that is, the government—will bring in, in an emergency session of the Legislature for a few days, a so-called inflation restraint bill.

I want to read the title of the bill that this committee is reporting, because it is an interesting title. The bill's title is, An Act respecting the

Restraint of Compensation in the Public Sector of Ontario and the Monitoring of Inflationary Conditions in the Economy of the Province.

Actually, the title describes pretty accurately what the bill does, because, contrary to what the government would like us to believe and contrary to what the government has tried to persuade the public to believe, the bill does nothing to deal with inflation or the economy; all it does is deal with putting a cap on the remuneration and compensation of people who are working in the public sector.

The committee now is submitting this report, and the chairman, the vice-chairman and the member who moved the adoption of the report are not even here to engage in the debate. This committee reported after a mere four or five weeks of hearings, and two of those weeks were public hearings.

I admit that we agreed to that two-week period for public hearings, but we did not know at the time that the outcry would be so great from the people who wished to be heard before this committee. My colleague the member for Hamilton East (Mr. Mackenzie) can confirm for me my belief that there were some 80 groups—

Mr. Mackenzie: Forty.

Mr. Foulds: —40 groups that wished to be heard before the committee and could not be heard.

I submit that it is an abdication of the responsibilities of the committee to come into this Legislature asking to report the bill before some of those groups could be accommodated. I suggest that the committee failed in its responsibility to make some accommodation for those groups, which are fundamentally affected by this bill. That being the case, the committee decided—

Mr. Jones: Which party's member saw the clock one night and cut off the debate?

Mr. Foulds: I will be glad to yield the floor to my friend if he wants to go ahead.

Mr. Jones: Mr. Speaker, it is just a point of clarification. I thought it important that we should know it was a member of the New Democratic Party who saw the clock one night, rather conveniently or inconveniently, and cut off the opportunity for us to hear some of the people who had come to make presentations. So, lest the member forget that and conveniently twist the facts to suit his debate, here he

is, repeating all over again things we have already dealt with in committee.

Mr. Breagh: Mr. Speaker—

The Deputy Speaker: Is it on the point?

Mr. Breagh: Yes; exactly. I want to bring to all members' attention that it is the chairman of the committee who sees the clock, not members of the committee.

Mr. J. M. Johnson: On a point of personal privilege, Mr. Speaker: I thought today was private members' day, and it seems to me that in this session, every second Thursday has been taken away from the private members. I feel that my rights as a private member are being abused by the opposition. I suggest that if we are going to carry on this way, then let us dispense with the farce and cancel private members' hour, because it is just not working. Those people do not care any longer.

Mr. Foulds: Mr. Speaker, on that particular point of order or privilege or whatever—

The Deputy Speaker: Are you now speaking to the point of order and then continuing with the report?

Mr. Foulds: Yes. I think that would be an appropriate sequence, Mr. Speaker.

The government knows full well the controversy surrounding this bill. The government knows full well the controversy surrounding its action yesterday in the committee when it moved in a unique fashion the kind of closure it did. It therefore knows full well that when the chairman of the committee brings in a report from that committee to be adopted by this Legislature, it could well give rise to a little difference of opinion and to debate.

If the government were so concerned about private members' hour—and let me say that there are no members more concerned about private members' hour than the members of the opposition—it perhaps should have given second thought (a) to making the motion it did yesterday in committee to have this bill reported and (b) to having a member of that committee, in the absence of the chairman, report the committee's report for adoption by this Legislature before private members' hour.

If the government wants to keep private members' hour sacrosanct, then I suggest that controversial reports like this, which require and cry out for debate when the committee makes its report to the Legislature, be withheld for a few days so that sober second thought could prevail.

Besides that, it is my understanding, although

I could be corrected and there could always be a reconsideration and a more civilized behaviour and pattern of procedure adopted, it is the government's intention to cancel private members' hours on Thursdays for the rest of this session.

An hon. member: No.

Mr. Foulds: No. I withdraw that. I misunderstood the situation, Mr. Speaker. In any event—

Mr. Riddell: Would you like me to go and sit in the press gallery?

Mr. Foulds: No, no. I need to stretch a little. I have this requirement to move slightly. I tend to look at the Speaker. I tend to treat the Speaker with enormous respect, because I believe it is important when we are talking in this House, except for the asides and interjections, when one addresses one's adversaries directly, to try to talk to the Speaker. Some people inadvertently think I am looking at the press gallery. If the Speaker were down at that end, I would be looking at that end and then talking to the Sergeant at Arms.

Now, back to the debate on the report of this committee that is before us for consideration and for adoption.

I think a dangerous precedent has been set by the committee. Frankly, I think it is one of those sad precedents that will come back to haunt us in future days of this Legislature. I also believe it illustrates probably more acutely than anything in the House in recent years the breakdown that has occurred between all parties, the opposition and the government primarily, in the orderly and due process of legislation.

Mr. Speaker, I know how much you appreciate and understand the rules of the Legislature and the importance of parliamentary democracy. Let me just say to you that one of the reasons we in this party feel the bill should not be reported, and therefore the report should not be adopted at this time, is that it is a piece of legislation that strikes at the heart of freedom, democracy and the very fundamentals of what parliamentary democracy is all about.

3:40 p.m.

It is no secret that the people in the New Democratic Party have a profoundly different view of the social and economic world than the other two parties in this Legislature. It is no secret that our party would not only admire but also work hard for fundamental change in our society.

We believe the only reason an economy is created, the only reason workers such as are

affected by the bill before us put their labour into the creation of wealth, is so that wealth is used, not merely for profit, not merely for government use, but for the benefit of all the people of the province. We call that the redistribution of wealth.

We feel strongly about that but, as well as being socialists, we are also profoundly democratic. Therefore, we feel that our aims, our objectives and our view of society should be done through the rule of law, through the rule of the Legislature and by due process. We will use the rules as we can in the House, we will use the laws of this province as we can, to bring about a fundamental change in society.

What we have is a government party, and after all this party has been the government for lo these 40 years, that has brought in a number of statutes. One of the statutes which this government brought in and which was reported to the Legislature, as we are now considering a report from a committee, was the law embodied in the Labour Relations Act and so on. Without making any reference to the Labour Relations Act, this government brought in this bill.

I had the honour and privilege and, if I may say so, the enjoyment of putting the case of the New Democratic Party as the leadoff speaker of our party on second reading of this bill. We did not play any games about our opposition to this bill. I said clearly in my opening statement that we would use every legislative means at our disposal to oppose the bill. We put the government on notice that we felt this bill was so fundamentally flawed, so fundamentally bad, that we could never vote for it.

Not only that, but we determined in caucus that we would fight the bill. We were not merely going to oppose it. We were not merely going to do the ritual performance in the old boys' club of Queen's Park. We were going to use the rules of this Legislature to oppose this bill with every parliamentary technique we had. I think it is fair to say we have lived up to that promise.

But there was no government spokesman who said, "You should not do that." There was no government spokesman who said, "You should not use the due process of this Legislature." There was no government spokesman who even conceded that there might be some amendments to the bill, that there might be a withdrawal of the bill.

When one has a government as determined as this government is to bull through a bill to which there is such fundamental opposition, then the legislative process by its very nature grinds

down. That is, if I may say, one of the glories of parliamentary democracy. We do not fight with bullets. We do not fight with tanks. We do fight and will fight as fiercely as we can with every weapon that we can in this parliamentary forum.

This parliamentary forum may be a ragged and imperfect one; it may be one that does not always see the best legislation pass, and it may be that we do not always see the worst legislation killed. But that is our objective. Purely and simply, our objective is to kill this bill, to have the government withdraw it, because it is so fundamentally flawed on the compensation side that it is not worth reporting to the House as this committee has done. That is why I am speaking against the adoption of the committee's report.

One of the heavy responsibilities laid upon all members of the Legislature is to vote, speak, debate and to see what they can do with their imperfect talents to make the province a better place in which to live. I suggest that this legislation, which the committee wishes to report, does not do that. The fundamental problems facing Ontario today are problems of economic malaise, of a gutting of our economic system, of huge and high unemployment and of more people having to apply for and receive social and family benefits than ever before in our history since the 1930s.

The committee did not deal with those, because the government bill and the government action did not deal with those. We were told in the ministerial statement—not in the actual debate of the bill—that this was the first step of the government's economic recovery program. But we have not seen the second and third steps of that program, and we are getting close to the normal end of this legislative session.

What we have in this bill is not, as its title says, an act respecting the restraint of compensation in the public sector of Ontario and the monitoring of inflationary conditions in the economy of the province, but a simple attempt by the government to limit the bleeding of its finances.

For five or six years the Treasurer talked about bringing in a balanced budget, and he has been unable to do that. In fact, the deficit arising because of the mismanagement of the economy by the government escalated. The only way the Treasurer saw that he could try to put some limit on this deficit was to save himself about \$600 million to \$800 million by restraining the wages of those people in the public sector who either are paid directly by the government

or who get their pay from transfer payments by the government.

The committee, after hearing about half of the groups that wished to be heard—40 out of 80 or something like that—thought it had heard adequately from those affected by the bill. When we attempted to get more hearing time for those people, it was denied.

3:50 p.m.

Second, there is no way that this bill, which the committee wishes to report, has been adequately dealt with by the committee. There may be all kinds of reasons for that, and I will not surprise you, Mr. Speaker, by suggesting to you that perhaps some of the responsibility for that lies with my own party; but then, it lies with all members of the Legislature and of that committee.

The bald fact of the matter is that the committee simply has not dealt with the bill; so it is now making a report to the Legislature. What puzzles me is what it is reporting. Is it reporting the bill that we have before us? If it is doing that, on what basis is it making that report? It is making a report on the 37 sections of this bill, having dealt with only part of section 1.

Any committee that moves the adoption of a report suggesting it has dealt in committee stage with a bill when only the first half of the first section has been dealt with, I submit is not making a true, full, accurate report to the House.

The difficulty we have is that the member for Parry Sound (Mr. Eves), when he got up and moved the adoption of the report, did not speak to the report, did not indicate to the members of the House what was in the report, did not even indicate in any way, shape or form the reasons for the committee's moving of the report that is before us.

I suggest that the reason he failed to do that is very simple: There was nothing to report. So what do we have here? We have an attempt by the government to get this bill straight to third reading. We hear in the corridors here at Queen's Park that the manoeuvre the government wished to undertake was actually to slip this through—and that is one of the reasons it was not the chairman who was making the report this afternoon, as well as the fact that he was absent; but his absence could be a convenient one—and that the bill, as it is now and as it was first drafted, would go to third reading, the government would bring in closure on third reading and it would be passed.

The problem was that the government itself

wanted amendments to the bill. If that is so—and I suspect it is so, and I think some of my colleagues have even seen some of the government's proposed amendments to the bill—how was it going to deal with that? We hear, but we have no explanation or statement from the government, that they were going to bring in a second bill, an act to amend Bill 179.

That seems to me to be a very unusual procedure. We have a piece of legislation that is not even passed. The government wants to rush it through. The government wants closure. The government wants it passed, imperfect though it knows it is, even on its terms. Then it will bring in an act that amends this act. Then it will do the same thing to that bill that it is doing to this one.

I suggest that is why we must oppose the bill at the present time with every legislative means at our disposal, because once one acquiesces in this kind of bill and in the kind of procedure the government is engaged in, then it will do it time and time again. It becomes easy to enforce closure, which is what has happened with this bill.

The government and many of the members on that side do not seem to understand the realities of majority government. Like me, the Treasurer understands the realities of majority government, because he was a member of the last majority government enjoyed by the Conservative Party, between 1971 and 1975.

I think it is true of the analysis of many political scientists who are interested in things like the reporting of a bill from committee that many political scientists have time and time again suggested—

Hon. F. S. Miller: You are looking for your reserves, James.

Mr. Foulds: We have them; do not worry.

Mr. Speaker, I make no pretence to you that this is a difficult and strenuous undertaking, that the spontaneity of it all was—

Hon. F. S. Miller: Surprising, was it?

Mr. Foulds: No, not surprising; I had given it thought at least since this morning. I make no apologies for that. I thought there might be an attempt by a committee to make the report we have before us—

The Acting Speaker (Mr. Cousens): Address yourself to the motion at hand, please. Do not allow yourself to be distracted by honourable members.

Mr. Foulds: Excuse me. Will you repeat that, please, Mr. Speaker?

The Acting Speaker: I asked you to address your subject and your points to the motion.

Mr. Foulds: Will you remind me what that motion is, Mr. Speaker?

Mr. Breaugh: To adopt the report.

Mr. Foulds: To adopt the report; that is exactly what I was speaking about. Just to refresh your memory, Mr. Speaker—

The Acting Speaker: I have been listening. You do not have to refresh—

Mr. Foulds: Mr. Speaker, I am sure you were sent in to relieve the previous Speaker because of your love for the rules of procedure in this House and because of your adamant sense of rightness and firmness in applying the rules of the House. I too enjoy your sense of fairness and justice and, what has been more obvious in this House, your sense of firmness when applying the rules of the Legislature.

As I understand it, what we have before us is a motion to adopt the report. One of the difficulties we have in debating the adoption of the report is that the member who moved the adoption of the report did not explain what the report was. Therefore, we are having to recast slightly and we are having to recollect. Imperfect as my memory is, it is sometimes a little difficult. We have to recollect what the committee did.

I was not a permanent member of that committee. I sat in on many of the sittings. One of the reasons a committee when making a report should make a full explanation of the report, what it entailed and what its activities were is so that all the members who have an interest in the bill can fully understand what it is when they vote to accept the adoption of the committee's report.

I am trying to explain in my own imperfect way because at the time there appeared to be no other member of the House who was willing to speak and the Speaker was about to put the question. I had always thought that under the rules of this House, when a motion was put for adoption of a report, that was debatable. I am a firm believer in the rules, as you are, Mr. Speaker, and therefore I thought it my duty to help inform those members of the House who were not fully aware of the implications of the committee's report and the contents of the bill and to take what opportunity I could to debate that report.

4 p.m.

I am suggesting, and I am telling the other members of the House through you, Mr. Speak-

er, that I am opposed to the adoption of the report. It would appear to me that I therefore have a responsibility to explain to you and to the other members of the House the reasons for my opposition to the adoption of the report of the committee. So far, we seem to be on the same wavelength.

One of the major reasons I am opposed to the adoption of the report of the committee is that it would appear that the committee is reporting Bill 179. If it is reporting that bill, and it is reporting that bill on two counts—one, the procedural count that it has dealt with the bill, and two, that the bill itself is worthy of adoption and carrying—then it seems to me I have those two areas on which to argue and oppose.

The first area I have briefly dealt with so far is the first half of that equation, that is, the committee itself is making a report prematurely. It is making a report without having fully considered the contents and the clauses of the bill without having fully understood the implications of the bill for people who are affected by it.

If I may say so, I am not at all sure that the committee had before it the case of Susan Vallance, a public sector worker facing a high rent increase whose wages are drastically affected by this bill. If the members would permit me, I would like to read into the record, so that the House can fully understand if the committee did not, the kind of effects the bill that the committee is reporting has on people affected by the bill.

Ms. Vallance works full time as a clerk 3, general, at Seneca College.

The Acting Speaker: I find the member's point is—

Mr. Foulds: Does the Speaker want to get to his feet to make his remark?

The Acting Speaker: No, I will give the member a chance to rest his feet. He is addressing only the adoption of the report and he is now getting into other subjects pertaining to the report. I am asking the member to address the motion on the floor, which is the adoption of the report.

Mr. Foulds: That is exactly what I am doing. Mr. Speaker, I may repeat myself just slightly so that not only you but the officers of this House and the government House leader understand the flow and nature of my argument. What I am saying is that I want to say, very seriously, and I would appreciate it if you would pay some attention, that it is very important when discussing a report to be able to explain your reasons

for the opposition to that report by illustrating your opposition with actual case studies, statistics, research and so on.

In my 11 years in the House I have never seen it otherwise. Therefore, Mr. Speaker, I would say to you that the committee failed in its obligation when it moved the motion for adoption of this report, when it does not consider the case of Susan Vallance, when it does not consider the effect that the bill has on this worker, when it reports the bill without amendments but reports it without even considering the clauses in the clause-by-clause debate, and when it is the government's intention to bring in another bill that will amend the flaws in the bill that we have before us. I suggest it is an undue process that we are facing here.

The Acting Speaker: I thank the honourable member for keeping his points to the subject as he is doing now.

Mr. Foulds: It is excellent, isn't it, Mr. Speaker? Thank you.

I think the committee did not consider the effects of all 37 clauses of this bill that is being reported; that it did not consider the effects of part II of the bill, sections 4 through 25; it did not consider those sections at all. It did not consider those sections as they affect a person like Susan Vallance, a public sector worker facing certain situations. Ms. Vallance works full time—

The Acting Speaker: I would ask the honourable member to stay with the substance of the point that the report be adopted or received, without getting into some of the extraneous things.

Mr. Breagh: On a point of order, Mr. Speaker: I would like to bring to your attention that the matter now under discussion is a committee report which contains a bill. I would point out that almost every Thursday evening in this Legislature we debate similar types of motions and reports.

As chairman of the standing committee on procedural affairs, I brought in a number of reports on agencies and commissions which had been the subject of debate, and I think if you were to do a little research on the precedents, it was pretty clearly held that the motion is put for the adoption of the report, which is technically what we are debating, and during the course of the debate, we debate anything which is contained within that report.

If you reflect upon this a little more, Mr. Speaker, you will understand that we have

before the House a motion to adopt a committee's report. In that report is contained a piece of legislation. It strikes me that means that when members are addressing themselves to the questions before them this afternoon and maybe a little later on this evening, it is quite in order to address themselves to a report from the committee containing legislation.

Because it does contain that particular bill, it is quite in order for members to discuss the content of the report. During each and every Thursday evening that we have spent in here discussing motions worded in precisely the same way, it seems to me we have set our precedents pretty clearly. When you move the adoption of a report from a committee, the members are quite free, and always have been in the seven years I have been here, to discuss the contents of the report. We are not discussing a mere procedural motion.

We have a report from a committee before us. It contains a bill. It seems to me that in everything we have ever done in here in debating these reports from committees, and we do it regularly and consistently almost every Thursday evening and sometimes on other occasions as well, we have held that you debate the report.

This afternoon we are not debating a simple procedural matter. We are debating a report from a committee. I think, Mr. Speaker, on reflection you will have to give the members the rights they have had on all those other occasions, to debate at some length if they wish, the content of that report.

Mr. Nixon: Mr. Speaker, on the point of order, I think you should consider some additional views in this matter, which I am glad you consider to be important, as do we all. After all, there is a motion before us for the adoption of a report. Basically, the report is that the committee has decided not to proceed further with consideration of a bill. It is obviously a very important bill but its importance in this consideration is irrelevant.

My own feeling is that the debate on the report stage, as it might be called, should not be unnecessarily constricted. After all, the whole content of the bill is within the report itself. I can assure you, sir, it is not my intent to facilitate matters for anybody in the House who might want to needlessly prolong a debate which in my view was needlessly prolonged in the committee.

4:10 p.m.

It is our aim in the official opposition to get

the bill before either committee of the whole House or a standing committee so that the sections themselves can be debated and amended, because there are clearly some areas where even the Treasurer (Mr. F. S. Miller) must surely agree that amendment is needed.

The one thing I would hate to have happen is that, because of some sort of approach taken by one group in the House, in some particular way the House would ever consent to have this bill enacted into law without even an opportunity for amendment. I think this would be a serious catastrophe, and it would certainly vitiate and dilute any value that would remain in the democratic process as we know it in this House.

My own feeling is that if the House ever decides, in its lack of wisdom, that the bill should proceed without a clause-by-clause review, it would be a disaster. However, the rules do permit the government or any other group in the House to put an end to the debate, which I think would be a regrettable thing indeed. But this particular motion, in my view, does not lend itself to the Speaker and his colleagues in the chair restricting it beyond the ambit of the bill itself, and I hope you will not attempt to do so.

The Acting Speaker: The chair recognizes the importance of the House having full opportunity to debate everything that comes before it, and, as the motion now stands, it is that the report be received and adopted, at which time it would be approved for second reading and then go on for third reading.

An hon. member: Or committee.

The Acting Speaker: Or committee. My concern is to ensure that we allow full opportunity to all within the rules of the House and that when we are speaking to the motion we do not bring in extraneous data that are not germane to the bill itself; and when you are bringing out certain people or instances that go beyond the terms of the bill and beyond the terms of the motion before the House now—

Interjections.

The Acting Speaker: I am suggesting that the honourable members try to stay with the motion that is before the House right now, because there is ample opportunity.

Mr. Foulds: Mr. Speaker, I do not think there is any confusion or disagreement in the interpretation of the rules or the procedures. As I understand them, there is a report stage, and this is the report stage of the bill. There is then, if the House decides, a clause-by-clause stage of the bill, probably in committee of the whole; I

certainly hope that stage will take place. There is then third reading of the bill, and I certainly hope the bill will be withdrawn by the government before that stage is necessary. But it seems to me there is no great disagreement.

There are certain amendments to the bill that we see as valuable on the price side, but when it comes to restraining wages that have been negotiated and for which full and adequate legislation has been passed by this Legislature in the past, we frankly feel that we cannot make a piece of cheese out of what we in northern Ontario used to call a moose pancake. We simply cannot make a piece of cheese out of a moose pancake.

What we have here is a moosecake. Therefore, optimistic though the official opposition is about adequate and so-called fair amendments to the compensation side, we do not share that view and we have been very open and frank about that.

Clause 4 of the bill, which is being reported by the committee and is part of the report of this committee, has as subclause (c), and I will read it to remind members of the House:

“‘Collective agreement’ means a collective agreement as defined in the Labour Relations Act, an agreement referred to in subsection 5(1) of the Fire Departments Act or subsection 29(2) of the Police Act, a decision resulting from arbitration that, by operation of law or agreement, governs working conditions or terms of compensation, and any agreement between a unit of employees established for collective bargaining and an employer or person in the position of an employer for defining, determining or providing for working conditions or terms of compensation.”

I suggest that section of the bill deals directly with people like Susan Vallance, whom I was trying to bring to the attention of the House previously. It is that section of the bill the committee did not discuss and that it is reporting as being okay. It did not take into consideration the effect it would have on people like Susan Vallance or Marie Mitchell or Saleen Yacouba. I would, therefore, like to bring those cases to the attention of the House.

That section, which limits their compensation to five per cent and in one case, because of certain provisions of the bill being reported, cuts back on the signed agreements between the bargaining units for these people and their employers, so that they are fundamentally affected by the report we have before us for debate, was not considered. I would like the members of the

House to consider the cases of those people before they eagerly and quickly approve the committee's report. I would also point out that Ms. Vallance works full-time as a clerk 3, general, at Seneca College. Her gross salary is \$15,200 and she nets \$11,620.

The Acting Speaker: I would ask the honourable member to consider the very motion that is before the House. Since the bill itself is discussed in other phases within the House, the specifics of the bill can then be addressed regarding how people are affected or impacted upon. I am asking the member if he could try to keep his comments, as he did earlier, to the procedural motion that is before the House right now.

Mr. Foulds: If I may say so, Mr. Speaker, it is not a procedural motion, it is a motion that asks the House to adopt a report. It asks the House to adopt not only the procedure of adopting the report but the substance of the report. Imperfect though my talents may be, I am trying to illustrate, by some examples, my opposition to the substance of the report, because what the committee is reporting is this bill.

It is not as if the committee brought in a report and the mover of the report said: "Mr. Chairman, like a hung jury, we find we cannot deal with this matter. Therefore, we request that some other forum or some other committee deal with the matter." What it has done is report the bill. Therefore, I respectfully suggest that the substance of the bill is debatable at the reporting stage because that is the substance of the report. In effect, this is the report we have for adoption before us and if we adopt it, we are adopting this bill. There are other stages, as you rightfully point out, Mr. Speaker.

Mr. Renwick: On a point of order, Mr. Speaker: I raise this particular point of order divorced entirely from the content of Bill 179. I think there are two aspects to this matter. One is naturally the report itself. The content of Bill 179 and what happened to it in the committee is one substantive matter that is being debated. My colleague kindly yielded the floor to me so I could discuss the other important matter.

4:20 p.m.

The Acting Speaker: I cannot allow that if you are going to be making a speech. Make your point of order and I will indicate whether you can proceed.

Mr. Renwick: That is what I want to do. Mr. Speaker, I ask you to rule on my point of order after I have had an opportunity of placing the

point clearly before you because of its importance. You happen to be in the chair when the House will be making a decision on a point of order which will affect the proceedings of this House from now on, far beyond the time when you and I are members of this assembly. It is that grave, that important and that unprecedented.

My point of order is that the motion to adopt the report which is before us is, I submit, out of order. I want to speak to that point of order. My submission, and I believe you heard me, sir, is that the motion which is now before you is out of order. I want to put before you the course of events which led to this report being in front of us today.

I want to do it in terms of procedural matters, not in terms of the body of the discussions which took place with respect to Bill 179 in the committee. The motion which is before us at the present time was moved by the member for Parry Sound (Mr. Eves) in the absence of the member for Oxford (Mr. Treleaven), who is the chairman of the standing committee on administration of justice.

It is in the following terms: "Your committee begs to report that it has decided not to proceed with the consideration of Bill 179, An Act respecting the Restraint of Compensation in the Public Sector of Ontario and the Monitoring of Inflationary Conditions in the Economy of the Province, but to report it to the House at this time."

It may be that the member for Brant-Oxford-Norfolk (Mr. Nixon) can recall, and it may be some other members of the House can recall, but I can never recall this kind of motion coming before this assembly in this form, based upon the decision of a committee of the assembly with respect to a matter of a precedent which had never been followed under—

The Acting Speaker: I thank the member for Riverdale. The motion has been brought forward to the House in the proper form and we are in the process where the Speaker has permitted some debate to take place on the question, "Shall the report be received and adopted?" That is what is being debated by the House. The Speaker has already done this, so your opportunity to discuss this will be through the debate that is now before the House. I now recognize the member for—

Mr. Renwick: Mr. Speaker, with the greatest of respect, I do not want you to be hasty. If you believe it would be advisable to have Mr. Speaker in the chair and to have the Clerk of the House in his place when we discuss this matter, I

am quite certain that would be an appropriate procedure. But I will not be ruled out of order on a matter which has been brought before this assembly after a consideration in committee and which has never been considered in a committee of this assembly before.

Mr. Speaker, I want you to be clear about that. Perhaps if I could place my argument without interruption, we could have an opportunity for you to make a decision rather than have the submission truncated by intermittent conversations with the Clerk of the House. I would like your attention, Mr. Speaker. I will wait until you can give me your full and undivided attention.

The Acting Speaker: My concern is the honourable member is bringing up a procedural point prior to the present debate that is now in process within the House. Inasmuch as the speaker has already permitted the report to be tabled and it is now under consideration, I see there is nothing out of order. Therefore, I would like to have the member for Port Arthur continue his presentation.

Mr. Renwick: Mr. Speaker, please do not misunderstand what I am about. I want you to understand that if we pass this motion in this assembly we will have established a precedent that will haunt this assembly for a long time. I am saying this resolution will create a precedent. For this House to accept this resolution is an unprecedented action and by its very nature, if accepted as being in order, will create a precedent for the future. It is to that precedent I want to speak, because I believe every member of the assembly, regardless of the circumstances of this discussion, should be concerned about the kind of precedent this will create.

I want to speak as clearly and succinctly as I can about a procedural matter of the utmost importance. I am constantly not having the undivided attention of the Speaker. Perhaps even the rigidity of debates of the House would allow me to have your undivided attention on an important matter.

I want you to know that under the rules of the assembly we accepted the resolution that was passed and that is reported in the Votes and Proceedings of the assembly on October 19 on the motion of the House leader. I want you to know that was, in itself, accepted unanimously by the House and was a departure, such as the House is entitled to make, from the rules of the House. We accepted it, stating what the standing committee on administration of justice was required to do. I am not going to argue the

minutiae of that statement. We were proceeding in accordance with the resolution and the order of this House that you have before you. I will read it into the record should anybody require it to be done, but we all know what it says.

I am not engaged in a semantic argument about the meaning of that resolution. People can differ about the meaning of resolutions, and the chairman of the committee yesterday adopted an interpretation of that order of the House to that committee which we could debate over a cup of coffee some time.

The point I want to make is that yesterday afternoon, the member for Mississauga North (Mr. Jones), having left his place at the left of the chairman's position at the table representing the Treasurer of the province, resumed his seat as a member of the committee. Then, stating that he was the member in charge of the bill, whatever that may mean—it is a term that is totally new to me—whether it meant the member of the committee in charge of the bill, or the member in charge of the bill who happened to be a member of the committee, I have never heard in my time in this House of a member of a committee being in charge of a bill it was considering. If he was saying he was the member of the assembly in charge of the bill, he was not, because the Treasurer was. If there is a member of the assembly in charge of the bill, the bill stands in his name.

Mr. Jones: On a point of privilege, Mr. Speaker: I referred—since I was admitting there had not been precedents within our rules of order—to Erskine May and the British House interpretation of “a member.” I read from the Erskine May interpretation examples where members do carry bills on behalf of ministers. At that time, I was referring to “member” as it appears in that report under the heading, “The System of Committees,” chapter 24, page 626 of Erskine May.

Mr. Speaker, as I see the member making a rehash of the same debate that we had yesterday afternoon and then attempting to say, somehow, what my role was in the morning or what it was as a legitimate member of the committee in the afternoon, I would just have to say that was ruled on by the chairman yesterday and was dealt with by the committee. In my view, it does not seem to be a proper subject of debate at this point, as you, sir, consider the motion before you.

4:30 p.m.

Mr. Speaker: I think that was done in an attempt to clarify some of the points which the member for Riverdale (Mr. Renwick) had raised.

Mr. Renwick: Mr. Speaker, I appreciate your politeness to the member for Mississauga North.

I was not attacking the member for Mississauga North because he said that he was the member in charge of the bill. I was trying to point out, as a procedural matter, that it was a new term to me and I believe a new term to every member of the committee; because it was not understood.

I may say, as an aside, I have tremendous respect for the Clerk of this assembly. I hope that before he decides to retire entirely from the work of the assembly, or after his retirement, he will be good enough to produce for us a book which will set out some of the proceedings, so that we do not have the interminable hassles that we have. There is Beauchesne in the federal House of Commons, May in the House of Commons in England; why do we not have a book, instead of us having the interminable difficulties that we do have about these matters?

The member for Mississauga North, having said that he was member in charge of the bill, then circulated to us an excerpt from page 626 of Erskine May's 19th edition, in aid of this particular precedent. I do not want to read the whole of this; that would be neither appropriate nor necessary. But I want to read the first paragraph and then the next paragraph of the portion that he called in aid.

The heading is, "Reporting of Bills before Consideration has been Completed." That is the precedent that bothers me and that I think we have to speak about in terms of the orderly business of the House. It has nothing to do with Bill 179.

It states: "It is the duty of a standing committee, as of all committees, to give the matters referred to it due and sufficient consideration. The chairman of a standing committee will not therefore normally accept motions in pursuance of which the committee would conclude its deliberations before it had gone through the bill committed to it."

In May, at page 506 of the 19th edition, under the heading, "Functions of a Committee on a Bill," it is stated, "The function of a committee on a bill is to go through the text of the bill clause by clause and, if necessary, word by word, with a view to making such amendments in it as may seem likely to render it more generally acceptable." That is repeated in Beauchesne. I would assume that if there were a

book of rules of this House that paragraph would be repeated.

Within the context of what the committee was charged to do by order of the House, passed unanimously by the House, to engage in clause-by-clause consideration, the member for Mississauga North called in aid this particular part of May's statement:

"On the other hand, circumstances have arisen which, in the opinion of the member in charge of the bill, have rendered it inexpedient to proceed further with consideration of the bill, and on these occasions that member has been permitted to move, 'that the committee do not proceed (or proceed further) with the bill.'"

That was the motion which the member for Mississauga North moved in committee: "I move that the committee not proceed with consideration of this bill, but that it be reported to the House at this time."

The comment in Erskine May goes on to say: "The circumstances in which such motions have been moved have varied considerably but their general nature may be indicated by a few examples."

As I read it, there are four or five examples given by Erskine May. The first one is: "Such motions have been made when there seems no prospect of the bill being reported to the House in sufficient time to allow it to be considered by the House." The second is when the government has declined; the third one, when the government has indicated; and the fourth, when the government has disagreed or has amended.

I am not going to take the time of the House to read all five of the examples that were given in May because it was quite clear that only the first one was the applicable one for the action of the member for Mississauga North. I want to draw to the members' attention that on a six to five vote of the committee a precedent was set that this motion was in order. It was challenged and upheld by the committee. The committee decided, in my judgement quite wrongly and creating a precedent that we will have to live by, that the motion had been made because there seemed to be no prospect of the bill being reported to the House in sufficient time to allow it to be considered by the House.

Let me make a clear distinction. We have no illusions that the bill is important to the government. We have no illusions at all that it is important to the executive council of the province. They should have no illusions that we believe that it is a very important bill. The only division between us is that the government

thinks it should be passed. We do not think it should be passed.

The exception in Erskine May that permits that motion to come forward is, "There seems no prospect of the bill being reported to the House in sufficient time to allow it to be considered by the House." I say that there was no argument of any kind adduced to that proposition. Nobody said what was the sufficient time to permit the House to consider it.

There was a statement that the government considers it important. We understand that. We were here on September 21. We have been here ever since; but the government is not the House. To my knowledge there was nothing which says that the bill, following the course which it was taking, in accordance with the order of the House, would not in due course have been reported to the House in whatever the period is that is called sufficient time. I do not know what the sufficient time is.

It is quite clear, and I want you, Mr. Speaker, to understand very clearly what I understand and what everybody understands, that the procedures of the House permit closure to allow the government to move its legislation if it chooses to do so. It takes the risk of moving closure. We take the risk of forcing closure. That is a political risk. That is the way in which government expedites its business through the House.

But that is not what this says. This says that somehow or other there was a date by which this session had to be prorogued. I never heard of any such date. All I know is the House leaders have been discussing when that date may be in the future in order to get our work completed. But there is no date set by law. There is no date set by the government to prorogue this session.

It happens over the years to have been convenient for the House to prorogue a session shortly before Christmas. But that is not at all in the purview of our discussion of this matter, and so far as I am concerned, there was nothing whatsoever to indicate that this House would not be able to receive that bill from that committee in sufficient time to consider it.

This distinction has to be made very clear, because when a member calls, in aid of a change in this House, a provision from the House of Commons procedures as stated by Erskine May, he has to justify that strictly before an unprecedented action is taken in this assembly; and nothing was done in that committee.

4:40 p.m.

I raised it as a point of order because I think it would be foolhardy for this assembly to allow a

report of a committee based on a six to five vote in that committee to create a precedent for every single committee of this House. This would mean that the conditions under which closure of debate can take place are being sidetracked in the debate on another rule, which says something like: "The government wants the bill. Therefore, they have the right to do it this way, move it out of committee and let it find its way into this assembly." If they want to move closure, move closure; but do not try to create in this assembly, not only for the standing committee on administration of justice but for every committee of this assembly and the committee of the whole House, a procedure that would allow this to happen.

Do you realize, Mr. Speaker, what would happen if we were to depart from a time-honoured procedure of the assembly that one of the ultimate protections of the public is the scrutiny given by members of the assembly to the legislation that is before it, whether that is in committee of the whole House or whether it is in a standing committee?

That detailed scrutiny is not something we should abandon lightly because there was frustration in that committee. And I agree it was frustrating; it was frustrating for the government members, it was frustrating for us and I am sure it was frustrating for the members of the Liberal Party, and I know it boiled over on occasion. But I also know it would have been quite possible for that committee to have continued to review that bill, having regard to the number of people who came before the committee to raise serious concerns about the bill, a number of people both pro and con, and I am not getting into a balancing act; sufficient to warn the committee and to warn this assembly that this bill has to be scrutinized properly.

I am quite content to do one of two things: either with unanimous consent of the House, recommit the bill, or refuse to accept this motion and get it back into that committee and for this House to tell that committee not to waste any time. And I say that to both sides, because we do not believe we were wasting any time, but we would accept an admonishment of this House to get that bill back there so that we can deal with it in a proper way.

I believe, Mr. Speaker, that you would be most unwise to rule that this motion is in order, because the mere decision by the chair that this motion is in order means that the procedure in that committee by which this report comes to this House, in the language in which it is

couched and which I believe to be unprecedented—and it may be out of the murky mind of somebody who can produce one occasion; but certainly there has never been a motion to adopt a report in these terms, that was based on the quotations from Erskine May to which I referred, in the history of the assembly.

I stand to be corrected. I believe the Clerk of the House would be the only one who would be in a position to advise on that question and he must advise you. Mr. Speaker, I am asking you to take this under serious consideration and I am quite certain other members of the assembly will wish to speak on this point of order.

By the mere acceptance of this motion being in order, and there is nothing I know of in the rules which countenances it, we will have dredged up from Erskine May suddenly one afternoon in a committee, without any research of the background information covered in all the footnotes with respect to Erskine May, without any consultation with the Clerk of the House of Commons in London as to what their process is, without any consultation with the House of Commons in Ottawa, and calling in aid, as was called in aid, standing order 1(b) of our House.

It says, "In all contingencies not provided for in the standing orders the question shall be decided by the Speaker or Chairman, and in making his ruling the Speaker or Chairman shall base his decision on the usages and precedents of the Legislature. . ."

The member for Mississauga North knew that was not possible and he called in aid something called "parliamentary tradition." He produced a quotation from a book on the parliamentary tradition of the House of Commons, which I respect. He did not produce any reference with respect to the House of Commons of Canada, although a substantial part of Beauchesne is modelled on that.

What is most upsetting to me about the decision is that, for the government to end debate, it can move closure subject to two conditions: first, that it is not an abuse of the standing orders of the assembly and, second, that it is not an infringement of the rights of the minority.

This quotation from May says nothing about the rights of the minority nor does it say anything about the tyranny of the majority. It asks us to set aside one of the most important, if not the most important, functions of the assembly. That is the clause-by-clause scrutiny of legislation which will become the law of the province, binding upon the citizens of the

province. Together with holding the government to account for the expenditure of money, those are the two principal functions of this assembly and that is what the parliamentary tradition is about.

The result is that, disguised as a claim that in some way we were causing difficulty in the committee about that kind of bill, and being unwilling to invoke closure, they called in aid what to me was a statement that the government wants the bill by a certain time. We have known that from the beginning, but that is not what Erskine May says. It says that, "Such motions have been made when there seemed no prospect of the bill being reported to the House in sufficient time to allow it to be considered by the House."

Mr. Speaker, I appreciate your courtesy in listening to me speaking on the point of order at such length. I may well have omitted some element of the discussion about it. To create that precedent will change the course of this Legislature down through the years.

I think this assembly must not only have the discussion about whether the motion before it in is order, but, sir, we must have your very clear ruling with respect to it, and the reasons for it or against it, in a way that we all, as a deliberative body, can understand. The last thing we need is an improvident or intemperate decision of this House. I say that in terms of the time which people have had to consider its implications.

Sir, I would ask that the matter be taken under advisement by you. I appreciate your courtesy.

4:50 p.m.

Mr. Nixon: The reference of the bill, taken from the Votes and Proceedings dated October 19, contains the following phrase, "... that after clause-by-clause consideration is finished the bill will be reported to the Legislature."

That particular motion put forward by the government House leader might not have been well drawn in retrospect but, on the other hand, I do not believe that the actions of the committee yesterday have, for all time—if we allow them to remain unchanged—altered the foundations of democracy either in this jurisdiction or in any other.

I think probably the foundation of democracy, much as we sometimes hate to accept it, is that eventually the majority rules in this House. It may have done so very awkwardly yesterday.

I agree with the member about the justification for renouncing, in that respect, the instructions given to the committee by the House that it

must proceed with the clause-by-clause discussion and not report until that is finished—to use the words of the reference—and that any justification on the basis of a time limit should never have been brought forward and was a serious mistake.

I have heard members of all parties talk about hoping to finish the work by Christmas, but I have not heard any sensible person talk about that now for a number of weeks. It is apparent that the House will be in session after Christmas and before the resumption of an entirely new session. I cannot see any possibility of the work being completed. The fact that the government House leader or the Treasurer have indicated their desire to have the bill enacted by Christmas is irrelevant both under the rules and even in politics.

Obviously, the bill has certain retroactive provisions which means that its impact on the community is already being felt and the only thing that might change that would be far-reaching amendments that I do not see coming from the government side, or any other side, or the fact that the naivety of the New Democratic Party might, in fact, be not naive and that the government will withdraw the bill.

In this instance, however, it was apparent—and I know we are not supposed to impute motives, and I certainly will not do so—and with that in mind, I will not say that it was my impression that the NDP were needlessly prolonging the debate. I have heard its arguments indicating that is not an acceptable motive to impute. I do not impute it. I simply say that there are those who felt that the committee—

Mr. R. F. Johnston: Are you speaking on a point of order?

Mr. Nixon: I am on a point of order. Does the member want to wait his turn?

Mr. R. F. Johnston: No, I want to know whether the member is speaking to a point of order.

Mr. Nixon: Sure it is. I am glad the Speaker agrees with me because I have been having a lot of trouble with the member who has just been interrupting me again.

Mr. R. F. Johnston: I thought a little tit-for-tat.

Mr. Nixon: That is all right. I want to say to you, Mr. Speaker, there is a remedy for the situation that the member for Riverdale has brought to our attention. If the House believes that the bill should be returned to committee for clause-by-clause consideration there, then, of

course, an amendment to the motion before us would certainly be in order. Frankly, I am a bit surprised that the member did not make such an amendment so that the bill would return to committee for the clause-by-clause consideration so that his commitment to the concepts of the bill might be undertaken.

But that is not the case. We have a motion for the adoption of the report that is before us and, in that connection, I would say to the Speaker that the debate that was going on and will go on, presumably, after the end of this discussion on the point of order, that debate is in order and it may be terminated by a vote, or it may be terminated by an amendment sending the bill back to committee.

I will tell you, sir, our concern is to see that democracy is not frustrated to the extent that the members of the House do not have an opportunity to deal with the bill on a clause by clause basis. The thing I fear, and it has just been restated by the House leader of the NDP, is that they reject any concept of clause-by-clause consideration; that his party feels the bill is so deeply flawed that it should be turfed out and anything by way of alternative is unacceptable to them.

Mr. Speaker, if they are successful in having their way in that connection, I would feel that my rights as a member of this House had been deeply infringed, and if you want to hear some shouting and hollering, that is when you will hear the shouting and hollering. We have voted for the principle of the bill and we believe that it—

Mr. Martel: You what?

Mr. Nixon: Darned right and we are proud of it. In so doing, we represent a majority of the citizens of this province. We believe that the bill must come before the House on a clause-by-clause basis, whether or not the NDP wants to take part in that discussion. Believe it or not, they may even have the opportunity to sit silent under those circumstances. But the bill must be reviewed by this House on a clause-by-clause basis.

If the NDP would sooner have that done in the committee downstairs, that is quite all right with us. But in my own view, I feel that the remedies for anything the member for Riverdale might find offensive lie with this House at the present time. If he wants to move an amendment that the bill go back down to committee, so be it. I would support such an amendment, as a matter of fact, because we are committed to a clause-by-clause review of the bill, in spite of the

fact that the NDP rejects that remedy as having any validity whatsoever.

Mr. Cooke: You don't know what you are talking about.

Mr. Nixon: Thanks very much.

Mr. Martel: Mr. Chairman, I rise to speak to the point of order. I will not even invoke a point of privilege on what my friend the member for Brant-Oxford-Norfolk (Mr. Nixon) said. I certainly have stated that the bill should be abolished, thrown out, got rid of, whatever you want.

At the same time, I remind my friend that we have indicated that we intend to move some motions on that bill, some amendments to the bill.

Mr. Nixon: Is it going to be amended?

Mr. Martel: Only in certain parts.

Mr. Nixon: Who speaks for your party?

Mr. Martel: If the member would come to committee once in a while and stay for a little while, instead of just wandering in and out of the doors now and then, he might get the flavour.

Mr. Nixon: It's a free country.

Mr. Speaker: Let us get back to the point of order, please.

Mr. Martel: The member is taking such pride in supporting the bill. He might have been in St. Catharines the other night to listen to one of his colleagues argue that he had not voted on it on the first or the second occasion and that he might vote against it on the third.

Mr. Speaker: Back to the point of order.

Mr. Martel: The member talks about persistence. If he wants me to talk about the member for Windsor, I can do the same for him.

Mr. Riddell: Socialists don't know anything about democracy.

Mr. Martel: Wherever you are, you have a different position, don't you?

Mr. Speaker: Will the honourable member please address his remarks to the chair and not to the member?

Mr. Martel: You and General Jaruzelski.

Mr. Riddell: You don't understand there is a majority government.

Mr. Speaker: Order. Back to the point of order, please.

Mr. Ruston: General Martel.

Mr. Riddell: They are going to put the bill through. And you are prepared to let them do it without amendments.

Mr. Martel: My friend who just finished interjecting should be sitting with that majority government.

Mr. Nixon: Your Ontario Federation of Labour supporters think General Jaruzelski is all right.

Mr. Martel: Yes, I am sure they do.

Interjection.

Mr. Martel: No, it was Trudeau, I remind the member, who took that position.

Let me get to the point of order, Mr. Speaker. Let me speak to the point of order. The instructions by the House were to send this to committee for clause-by-clause debate so that ultimately it could be passed.

Interjection.

Mr. Martel: I will come to the time factor in a moment.

Mr. J. M. Johnson: You will call the time shots.

Mr. Martel: No, I said I would come to the time factor in a moment, if I can.

Mr. Nixon: You are softening up in more ways than one.

Mr. McClellan: We have just realized that the government majority is a lot larger than we thought it was.

Mr. Speaker: Now back to the point of order, please.

Mr. Martel: Having been referred to that committee—

Interjection.

Mr. Martel: Do you want the floor?

Mr. Ruston: I am talking to the whip. I'm not interrupting you.

Mr. Martel: The bill having been sent there, it should have been disposed of there. It was not. I guess what really becomes a concern is the factor of time. My friend mentioned the time factor. The only time factor is that the government of Ontario has decided it wants the bill through before Christmas. It has nothing to do with the fact that this session runs until March 31, 1983. This Legislature operates on a year; it is not a calendar year.

5 p.m.

Mr. Kerr: We've been proroguing in December every year.

Mr. Martel: We have come back. I remind my friend who is barracking there that we sat for 13 months on one occasion. This House sat from December 1968 to December 1969, and it led to a

rewriting of the rules. We have precedent, if he wants to talk about precedent for coming back.

The government has decided it wants this bill through by Christmas—that is the bottom line—by December 17. It has nothing to do with whether we have time to do it in January or February; someone over there has decided. And, as the member for Brant-Oxford-Norfolk has pointed out, it is retroactive.

If it takes a little longer here than those fellows wanted, so be it; it will not alter the ultimate effects of the bill. That has already taken place. It is our procedure, if anyone wants to check. When we bring in a budget, some of the bills will not be passed until some months after the budget comes in. But, in fact, those bills take effect the day the budget comes in. The same applies here.

The argument that there is a time bind is nonsense. There are four months remaining until the end of this parliamentary year. Time has nothing to do with it, save that it is an inconvenience for the government. They do not like the hassle, the long debate, on this very important bill, which wipes out collective bargaining that took 50 or 60 years to develop.

That is what it does. One might say it holds the increase to five per cent. That may be right. But what it has successfully done, and will successfully do for a year, is negate collective bargaining, which took 50 or 60 years to build.

What is even more insidious is that it does not even allow a way of arbitration. It cannot be arbitrated. That is why I say the government is like General Jaruzelski. Collective bargaining has been wiped out for a year with no loopholes left to arbitrate it. It is the most dictatorial piece of legislation they have ever brought in. They rationalize it by saying it is only for a year. If it is done for one year, it is easier to do it for two years next time.

The time factor is only in their heads. If we did not have time, if we did not have three months and all of December, maybe that would be right. But to invoke that particular clause to try to rationalize what was done yesterday is ridiculous. If they want to bring in closure, let them bring it in in its proper form. If they want to cut off and stifle debate, let them do it properly. At least they should have the intestinal fortitude to do it that way. But they want to sneak in some silly new procedure through the back door that will affect us forever.

The members of the government party did their own House leader in, of course, by accepting that motion. There was an agreement that

took 10 days to iron out—those things require hard bargaining—and by the stroke of a pen, they have said to us that the government does not keep its agreement. The one clause that held it up for 10 days was that there would be no time limit on clause-by-clause consideration in committee. That was what the agreement was. Then they said, “So much for the House leaders; we’ll undercut them.” That was what held it up for 10 days. As was widely reported in the press, it was that particular item.

That is why we agreed to forgo committee of the whole back in the House. We said that if we had one run at it in committee outside, we were prepared to bring it back to the House. Again, it argues to the time factor, because the government can say, “There is no time to consider it when it is brought back to the House.” The agreement that had been reached was that when it came back to the House, it would not go to committee of the whole in the House. So all that was left when it came back into the House was third reading.

Let me remind my friends that downstairs they had six slots per week for clause-by-clause consideration; up here there are three time slots. Look at them.

Mr. Nixon: Now to the point of order.

Mr. Martel: I am speaking—time was the thing that was invoked.

Mr. Nixon: You are not speaking to the point of order. Is the motion out of order or not? Get to the point of order.

Mr. Martel: I did not intervene when my friend was talking. I never said a word.

Interjections.

Mr. Martel: I am talking right on the point, because time was the thing that was invoked.

Mr. Speaker: Order, please. If the member for Sudbury East will confine his remarks to the point of order that was raised by the member for Riverdale, I will be glad to deal with that as a separate item and then we can get back to the general debate on the motion before the House.

Mr. Martel: The member for Riverdale presented the idea that the members of the government party used the time argument, if I am correct—what is sufficient time—and that it had to be brought back into the House so there would be sufficient time to consider it.

I am trying to make the point that there had been an agreement that when it came back to this House—and this destroys totally that argument—it was not to be sent back to the

committee of the whole in the Legislature itself. The only matter that would be before us once the clause-by-clause consideration was completed downstairs was third reading. I repeat, when it came back to the House, it would not have been sent to the committee of the whole; it was going to third reading.

My friends argue for more time, but what they have done is they have limited themselves to three time slots for legislation in the House, as we are currently following the order in the House; that is, Tuesday afternoon, Tuesday night and Thursday evening. Whereas in committee, we had Tuesday afternoon and night, Wednesday morning and afternoon, and Thursday afternoon and night.

If the government is trying to save time to expedite the matter, it must realize it cannot be done by bringing it into the House where we have half the time that we have in committee. As long as the argument might prevail, they still cannot say that with half the time in the House, they are better off than they were with double the time in committee, even allowing that everything else in the House was continuing.

As it stands, when they bring this bill to the House, Bill 127 is moved out. It does not matter whether it is speedy or not. Unfortunately, they have not learned that yet. Whether it is speedy or not is not the issue. The issue is that it was moving. We know how speedy Bill 127 is. It does not move at all.

Mr. J. M. Johnson: It's moving like a snail.

Mr. Martel: A snail's pace is better than putting it six weeks down the road before we get back to it. It will not move, it will not be debated until Bill 179 is done. They have slowed that one down with half the time they had outside the House. The bill was off in a committee, which allowed everything else in the Legislature to go on, and the government is bringing it back to the House in an unprecedented manner that will slow everything down and prevent some things from being debated.

All that was left in the justice committee, I remind members, was 15 hours of debate on the estimates of the Attorney General. So they will have that committee sitting three times in a week and the work in the House will fall, and they think that by using this manoeuvre they have gained. What have they gained? Absolutely nothing except more turmoil.

5:10 p.m.

I say to the Speaker that if time is the criterion and if we have four more months left, then they

cannot invoke it. The agreement was that when clause-by-clause consideration was finished, it was coming back here for third reading. If time is what they base their reasoning on, all I can say is that someone has put the word out that he wants out by December 17, and that is the time factor, not whether we have time to do it. Somebody wants out on December 17, and that is really the issue. It just is not going to work that way.

I hope the Speaker is going to consider this carefully, and I am sure he is. He is astute enough to realize that there is a long time left in this parliamentary year. On the basis of the matters that have been resolved at House leaders' meetings, the only thing left when we came out of committee was third reading. Time is a nonsensical argument; they should not even try to use it.

Mr. Kerr: Time is money.

Mr. Martel: No. You are paid to be here.

Mr. McClellan: Mr. Speaker, I want to speak briefly on the point of order raised by the member for Riverdale, that the motion before us is out of order. I agree with him that it is a most serious matter you are being asked to rule on. We are grateful that you are permitting us some latitude in presenting our case on this point of order.

As my colleague the member for Riverdale has pointed out, a precedent was set in the standing committee on administration of justice yesterday with respect to the proceedings of this assembly; it is unique in our history and, if it is confirmed again this afternoon, it will have very far-reaching consequences for the work of this Legislature.

My understanding is that Bill 179 was not referred to the justice committee in the normal way. The normal way of referring a bill to a standing committee for clause-by-clause consideration is under the standing orders; I believe it is standing orders 56 and 57. This bill was not referred to the committee by virtue of the normal reference to our standing orders; it was referred to the justice committee by virtue of a separate motion of this assembly. The motion was moved by the member for Scarborough North (Mr. Wells), the government House leader, on October 19, 1982.

Mr. Jones: It told us to do certain things.

Mr. Foulds: That's right. And we didn't do them.

Mr. McClellan: The parliamentary assistant rightly points out that the motion told the

committee to do certain things. The chairman of the justice committee, the member for Oxford, has referred consistently throughout the proceedings of the committee to the "mandatory instructions" of the House with respect to Bill 179. What he was referring to was the motion of referral, which the House passed on motion of the government House leader on October 19.

My point is that the referral of Bill 179 to the justice committee was not a referral under the standing orders; it was a referral under a separate motion that empowered the justice committee, through terms of reference set out in the October 19 motion, to undertake the clause-by-clause consideration of Bill 179 and not to report the bill back to the House until the clause-by-clause consideration was finished. And the operative sentence is—

Mr. Jones: No. It said we were to start clause-by-clause consideration on November 2.

Mr. McClellan: Why does the parliamentary assistant not wait his turn and speak in the rotation during the debate? He will have his opportunity. I would like to put our point of order.

The operative section of the motion of October 19 reads, "...after clause-by-clause consideration is finished, the bill will be reported to the Legislature." The motion before us flies in the face of a motion of the House. It is totally contradictory to that motion of the House on October 19.

The motion of the House set out the terms of reference for the standing committee on administration of justice just as clearly as a motion setting out terms of reference for a select committee. It is beyond the jurisdiction of either a select committee or a standing committee operating on terms of reference set by this assembly to fail to carry out its terms of reference. That is a violation of a motion passed by this House.

It has never happened, but if the House were to set up a select committee on pensions under terms of reference to examine certain questions, and that committee refused to do so and came back with a report to the House that it was refusing to undertake its terms of reference, it would be regarded as a totally preposterous proposition. The committee would be refusing to carry out instructions given to it by the assembly.

This motion does precisely that with respect to Bill 179. The motion of October 19 ordered the justice committee to undertake clause-by-clause consideration and not to report the bill

back until that clause-by-clause consideration was finished.

I point out that the committee has reached subsection 1(c) in its work. That means it has not finished clause-by-clause consideration, regardless of the timetable the members of the government party want to impose on the rest of the assembly. There is nothing in the motion of mandatory instruction of October 19 that places a time limit on clause-by-clause consideration.

The second thing I want to point out is that the motion of October 19 was the result of agreement between all three parties. There was a prolonged period of negotiation. An agreement was reached by all the House leaders, deputy House leaders and whips. Once that agreement was reached, the motion was moved by the government House leader.

The agreement was that there would be "normal clause-by-clause consideration." Since the word "normal" was my contribution to the agreement, I put it to you, Mr. Speaker, that what that meant was there would be no time limit on clause-by-clause consideration.

If anyone wants to know what "normal clause-by-clause consideration" means, it means there would be no time limit on clause-by-clause consideration. That was the agreement of the House leaders. This party was prepared to give up certain things to achieve an agreement, and we did that.

Hon. Mr. Gregory: Name one.

Mr. McClellan: Name one? Number one, 40 people—

Mr. Speaker: Never mind the interjections, please.

Mr. McClellan: The chief government whip asked me to name one, Mr. Speaker. I was going to deal with this. One was that we offered to give up and did give up consideration by committee of the whole House. In exchange for public hearings and normal clause-by-clause consideration, we gave up our right to refer the bill back to committee of the whole House upon the conclusion of clause-by-clause consideration.

Mr. Cooke: Don't shake your head; that's true.

Interjections.

Mr. McClellan: That is part of the agreement. I have the agreement. The government House leader says that is not part of the agreement. Point 6 of the agreement—

Mr. Speaker: Please speak to the point of order and let us not get into a debate.

Mr. McClellan: The motion of October 19 was based on the House leaders' agreement, and I want to set out the things this party gave up to reach that agreement.

The first is point 6: "After clause-by-clause is finished, the bill will be reported to third reading with no committee of the whole House." All three parties agreed we would have normal clause-by-clause consideration and when that was finished the bill would be reported directly to third reading with no committee of the whole House.

5:20 p.m.

Second, we agreed to terminate the second reading debate. We terminated the second reading debate on October 18 at 5:45 p.m.

Third, and this goes to the argument of time, the government has said there is not enough time. They argued there was not enough time in the committee and therefore they had to invoke this guillotine of the work of the standing committee on administration of justice. I do not seem to have the Speaker's attention any more.

Mr. Speaker: You have my attention. I am just trying to expedite matters.

Mr. McClellan: We gave up one more important thing, by way of concession, in order to obtain the agreement that led to the motion of October 19. We agreed to double the amount of time of sittings on the justice committee. So the justice committee is sitting for—

Mr. Speaker: Order. You are getting into a debate of what was reached as an agreement between House leaders, which is beyond my purview. I do not have any knowledge of that. I would direct the member to get back to the original point of order.

Mr. McClellan: I am pleased to do that. Speaking to the motion of the mandatory instruction of the House to the justice committee dated October 19, 1982, it sets out the hours the standing committee on administration of justice would sit. Those hours are spelled out in the mandatory instruction motion of the House, and those hours are double the normal hours.

The argument the government members made in saying this motion before you is in order was that there was some kind of time pressure, a time stricture. This party and the other opposition party agreed to double the amount of time available for sittings of the standing committee on administration of justice in order to speed up the work of the committee.

Interjections.

Mr. Speaker: Order. I might just point out to all the honourable members that what goes on in committee is something I have no knowledge of, so I would ask them to direct their remarks to the point of order which was raised by the member for Riverdale.

Mr. McClellan: I will conclude my argument. I am grateful that I was able to have the latitude to put some of the background before the House.

The central point remains that the justice committee was not operating on the usual reference from the standing orders. It was operating on a separate motion of this House, passed on the motion of the government House leader October 19, and that committee had no business doing what it did yesterday, because what it did yesterday was to abrogate its instructions from the House. If the government wants to terminate the clause-by-clause consideration of Bill 179, there is only one way to do it. They have to pass a motion in this House countermanding the motion of October 19.

They cannot have the committee, on its own initiative, violating the instructions of the House. That is preposterous. It would mean every select committee that is set up on motion of this House would have the latitude to decide whether to carry out its terms of reference or not, or whether it would have the latitude to carry out some other entirely different terms of reference from those given it by the House.

The terms of reference are crystal clear: clause-by-clause consideration. When that is finished the bill will be reported back. That work has not been finished. The motion is out of order because not only is it in conflict with, but it contradicts and flouts, a motion of this assembly.

Mr. R. F. Johnston: Mr. Speaker, just one brief matter that follows from what the member for Bellwoods is saying. That is that I believe the matter is out of order as well. The time element was not defined properly.

If I might say so, I also do not believe that we should have even referred to Erskine May in this case. In this business we should primarily be dealing with the traditions of this House. The traditions of this House are quite clear in terms of instruction to committees and there was definite instruction to this committee, as has been said.

The only way that one could see this might possibly be in order would be if the terms of instruction to the committee had been abrogated in the process of the committee or if

somehow the definition of "normal clause-by-clause," which I think some members would like to hang this on, had been rent asunder. My argument would be that, for a couple of reasons, that was not the case. I just want to be very clear about that.

That "normal clause-by-clause," as has been said by the member for Bellwoods, was to indicate the definition of "clause by clause" as was laid out by the member for Riverdale. That is to say there would be no time limit and a normal examination of even every word, if necessary, of a bill. Just as important is the fact that "normal" also has a very broad meaning in here. We have had many pieces and kinds of legislation that have lasted many months, indeed some more than a year, in terms of their clause-by-clause investigation. What is considered normal or average for any bill could not be determined by anybody in this House in terms of how we operate.

What, therefore, one must decide in terms of the definition of "normal" must be: Was it within the due ordering of that committee and was there anything done which was outside of the ordering of that committee? I would argue that all the points of order that were raised in terms of us trying to get certain ministers before that committee, which might have been seen by some government members to be slowing down the normal clause-by-clause consideration, were all ruled to be in order.

Therefore, I would suggest they were ruled to be within the normal mandate of clause-by-clause. If they were not, surely the chairman would have told us that we were not operating within the rules. He would have told us that we were abrogating our instructions, as he told us we might be doing on a number of other matters when he said things were mandatory from that agreement.

I would, therefore, say that you have to rule by the fact that this committee was given specific instructions. It was in the course of following those instructions and for some reason or other, government members, through their own frustration, legitimately perhaps, have decided they were bringing in this extraordinary method of trying to bring this back. I would agree with the member for Riverdale that it was out of order to do so and they could not have acted in that way.

Hon. Mr. Wells: On this point of order, Mr. Speaker, I would just like to argue before you why I believe this motion is in order. I think it is eminently in order.

I would begin by saying that I would buy the part of my friend's argument that we should pay attention to what we are doing but I do not think this House should ever adopt the position that because it has never been done before it should not now be done. This House is continually establishing precedents and, in fact, breaking ground with new procedures. Some of the things we have done in our present standing orders are new procedures.

I cannot recall, as my friend has said, when this particular kind of motion has been used but I can recall when this House decided that a bill should be reported and that with that bill there should be some kind of text or report of some of the discussion that went on at the time of that bill.

I can recall various innovations that have been suggested at committees of this House as to the manner of reporting that should occur. Some of them were accepted and some not. Having read—

Mr. Renwick: That is after due consideration.

Hon. Mr. Wells: I must say to the member that there has been due consideration of this matter. The member from Thunder Bay said he was going to use every rule and every twist of the rules at his disposal to try to forestall and keep the passage of this bill from occurring.

Mr. Foulds: On a point of privilege, Mr. Speaker: First of all, I am the member for Port Arthur, and second, to the best of my knowledge I said that we would use every legitimate parliamentary device to oppose the bill. That is what we are doing. I did not say anything about twisting the rules.

5:30 p.m.

Hon. Mr. Wells: No, not twisting the rules but every legitimate parliamentary device, and in my terminology the reading of Erskine May and some of the precedents that happened in the Mother of Parliaments are certainly justifiable use of every parliamentary device on our side to achieve an end, the end being the passage of Bill 179. I want to say that the reason I believe this motion is in order is because, as Erskine May said, there is precedent in the House of Westminster for this kind of a motion if it was believed at the time that there was no prospect of the bill being reported to the House in sufficient time to allow it to be considered by the House. I must say that in the minds of the executive council of this province at this particular time, that fear is in our minds.

I just want to assure my friends the fear that it

will not be reported to the House and considered by the House in adequate time is not because we are worried about Christmas or about winter vacations or anything like that. It is because, and my friend the Treasurer will present this to members later on, in the context of this bill there are a number of contracts that expire on December 31, and the nonpassage of this bill leaves up in the air how those contracts should be handled. I submit that the nonpassage of this bill by December 31 could even be deemed to affect detrimentally a number of the workers of this province. I submit there is some time constraint, not a frivolous time constraint as my friends would believe, but a time constraint that suggests this bill should be handled.

A bill of some similar nature was handled in about three and a half weeks in the House of Commons. My friend mentioned something about the House leader and about my breaking some agreement. I want to state very clearly that I do not accept any responsibility for breaking any agreement. We decided we would have public hearings, we decided there would be about 33 hours of public hearings in committee, and we had about 35 hours of public hearings. This followed about 30 hours of debate on second reading in this House when, as my friend the member for Brant-Oxford-Norfolk said, the majority of this House, two of the parties, one being in opposition, approved the general principle of this bill.

We then sent the bill to committee on a particular motion which outlined a procedure, and that motion, as has already been indicated in the House—it has been read and I am not going to read it again—said there would be public hearings for a certain length of time and then normal clause-by-clause would begin. I submit normal clause-by-clause never did begin until a couple of days ago. Motions which, in the broadest sense, could be said to have been procedural motions but were really motions to encourage more people or to attempt to have more people appear as witnesses before the committee were continually put.

It was our belief at the time we made this particular arrangement that normal clause-by-clause—I continued during our 10 days of discussions, as my friend said, to suggest that we should do as Ottawa does and as Westminster does: act like civilized people and let us set time lines. We understand the New Democratic Party opposes the bill and we are for the bill. So let us set time lines. Let us all have our good

discussions but let us say, "All right, we will have three weeks of discussions in committee"—

Mr. Cooke: You think you would do that if you were here?

Hon. Mr. Wells: Yes, I would. If I were over there I would. Ask Ed Broadbent. He apparently felt it was properly correct and normal for members to put forward with all their might their opposition. But the members should respect this place and respect the fact that there is a majority over here. I have to tell you, Mr. Speaker, that those members do not have as much support as they may think, even from some of their client group. There are a few people out there who would like to—

Mr. Martel: We know what the polls say, too.

Hon. Mr. Wells: It does not matter what the polls say. I just want—

Mr. Speaker: Anyway, let us get back to the point of order.

Hon. Mr. Wells: All right. I just want to say that some members of their client group would feel much better if they, having put up their battle on principle and lost the battle, spent a little time trying to get some of the sections amended rather than taking the kind of dog-in-the-manger attitude that they are.

I am submitting that this motion is completely in order. It is a report of a committee that by a majority vote decided normal clause-by-clause discussion was not proceeding and that the best way to handle it was to report that bill to the House, knowing full well that it is going into committee of the whole and will be considered in the House because our rules provide that will happen. There is nothing out of order in the motion, and I hope the Speaker will rule accordingly.

Mr. Foulds: Mr. Speaker, on the point of order that the government House leader raised, these are very grave matters because they arise out of the view of the parliamentary rules as they are practised in this House and—

Mr. Speaker: If I may, that point has been made quite well by various members and I think we are getting a little repetitious. What I would suggest, with the indulgence of all the honourable members, is that I take this point of order of the member for Riverdale under consideration during the dinner hour and in the meantime we proceed with the debate. I will have a ruling, hopefully, after the House resumes at 8 p.m.

Mr. Foulds: Mr. Speaker, I think that is a plausible suggestion, but it being almost six

o'clock, perhaps you need the extra few minutes to consider this matter.

Hon. Mr. Wells: If the Speaker has agreed to take it under consideration, why do we not just accept the report and the Speaker can offer his consideration?

Interjections.

Mr. Martel: Mr. Speaker, I realize the government House leader is all heart on this, but I am afraid we are not all heart. We would accept the suggestion by the Speaker that he be given some time to consider it. We are prepared to recognize the clock as being six o'clock and we might have concurrence of the House to do that and resume at eight o'clock.

Mr. Speaker: If it is the wish of the House, I see it being six of the clock and do now leave the chair and will resume at eight o'clock this evening.

Interjections.

Mr. Speaker: We do not have agreement?

Mr. Martel: Why did he not object when it occurred?

Mr. Speaker: I asked for the indulgence of the House and obviously we do not have agreement.

Mr. Martel: Oh yes, after you left the chair—

Mr. Speaker: No, I have not left the chair, with all respect.

Interjections.

Mr. Speaker: The debate shall resume then, and I will come in after the dinner period and make a ruling.

Mr. Breagh: Mr. Speaker, you can correct me if I am wrong, but I do believe it is the tradition of this House that the chair is allowed to see it being six of the clock or any other hour that it wants. That is not a matter that is put to a vote.

I seem to recall seeing you look at the clock and saying that it was six of the clock and that you did now leave the chair. At that point, there is no possibility of an "aye" or a "nay." There is no vote. You saw the clock and you left the chair and it would be my understanding that at this time, odd though it may seem, this House stands adjourned.

5:40 p.m.

Mr. Speaker: I do not have to put it to a vote, and I did not put it to a vote, obviously. I did not in actual fact leave the chair. If the honourable members wish to carry on with the debate, I am perfectly in agreement with that.

Mr. Nixon: Mr. Speaker, I have another suggestion that might be helpful. If you see it now as 5:40 p.m., it is possible that we might resume in order to hear your judgement in this matter at 7:40 p.m. We do not want to lose too much time in this important matter.

Mr. Foulds: If I could, Mr. Speaker: It does seem a bit odd and, even for this House, a bit out of order to proceed with a debate about which there is some genuine question as to whether it is or is not in order.

Hon. Mr. Wells: We debated it for an hour and a half before.

Mr. Foulds: Hold on, hold on. The question, Mr. Speaker, is whether or not the debate is in order. The Speaker has not made a decision on that matter. It would seem to me foolish for the House to proceed with the debate until the decision has been made. The Speaker has—and I appeal to all members of the House—asked for indulgence to give the matter, and a very important matter it is too, consideration over the supper hour; and it would be, it seems to me, quite a reasonable thing to allow the Speaker to do that and quite a reasonable thing to allow the Speaker to recognize it as being six of the clock.

Mr. Speaker: Quite obviously, not everybody is in agreement.

Mr. Martel: Mr. Speaker, I find it almost embarrassing that after the Speaker had recognized the clock and had started to leave his place, the government House leader at that point would intervene and say, "No." If the government House leader had wanted to prevent it, he should have said "No" before the Sergeant at Arms had walked to the front of the chamber and before Mr. Speaker had indicated he recognized it as being six of the clock. That the government House leader would put the Speaker in such an embarrassing position is really awful.

Hon. Mr. Wells: Mr. Speaker, first of all I believe I had indicated "No" at times. If you were asking indeed for the unanimous consent of the House to recess early, I said, "No." It is your prerogative, I suppose, to recognize the clock and to do it without asking for unanimous consent. But I sensed that you were looking around for unanimous consent, and I wanted to make it clear that we were not agreeing.

I can understand the position being put forward, and technically, probably, a point of order to consider whether a motion is in order or not should preclude the debate; if my friend had not been debating for an hour before

someone even brought up the point of order, I could perhaps be convinced of that. But it having occurred, I do not see why for the next 15 minutes we cannot indulge ourselves to sit here and listen to the rest of the speech that we will probably have to listen to if the Speaker rules tonight it is in order. If he does not, we will not; and, therefore, we will have deprived ourselves of hearing 15 minutes of a speech that we would not normally hear.

Mr. Martel: You were late on the draw, and you know it.

Hon. Mr. Wells: No, we were not late on the draw. All I am saying is that, having listened for an hour or so to the member for Port Arthur, we are happy to listen for another 15 minutes.

Mr. Riddell: Mr. Speaker, if the farmers of this province were as productive as the members of this Legislature are, there would be no food for supper tonight, so I would suggest we just carry right on.

Mr. R. F. Johnston: Mr. Speaker, I think it is totally inappropriate to proceed with discussion of the bill when you have not decided whether or not it is in order, and the homilies about the time-space concepts of the House leader of the government party have no relation to anything. I think it is inappropriate. If we cannot get that kind of agreement, then maybe we should hear your ruling now and not take the time. But I think that either the offer by the member for Brant-Oxford-Norfolk or the initial one would be very appropriate to follow at this point.

Mr. Conway: I just want to say, Mr. Speaker, that I disagree with the member for Scarborough West. I think the government House leader has made a perfectly valid point on the question of the debate proceeding.

I listened to the very eloquent remarks by the member for Port Arthur, and, speaking only for myself, I think that if the debate proceeds over the course of many minutes—and I think it was at least an hour—we all give some tacit agreement to the orderliness of that debate.

The point of order that the member for Riverdale makes is one that troubles me today as much as it did yesterday. I really want some time to think about it. I just want to say, Mr. Speaker, if you were to see the clock at near the normal adjournment hour or supper hour, or if you were to see it now, for example, at or near six o'clock, you would certainly not offend me by leaving.

Mr. Speaker: I am sure glad to hear that. Does

the member for Port Arthur wish to say something?

Mr. Foulds: Mr. Speaker, my understanding is that I have the floor. However, on a point of order before I proceed with my remarks: I would seriously put to you that you have the prerogative to leave the chair. You do not need the unanimous consent of the House to leave the chair. You recognized it as being six of the clock. You were on your feet and the pages were on their feet. You were about to descend the steps when the government side of the House interrupted the orderly recess of the House.

I would suggest that this is the second point of order to which I am now speaking, not the one that you are considering from my colleague the member for Riverdale.

Mr. Speaker: With all respect, it is not really a point of order. I am quite aware of the latitude I have in seeing the clock.

Mr. Renwick: May I rise on a point of order, Mr. Speaker?

Mr. Speaker: Not another one, surely.

An hon. member: Not another one.

Mr. Martel: You have a limited vocabulary over there.

Mr. Renwick: We do not need the yahoo calls from over there. You have to understand that this place is conducted, I hope, according to some rules; not by shouting.

My point of order is, sir: is it in order when you are taking—

Interjections.

Mr. Speaker: Order. The member for Riverdale has the floor.

Mr. Renwick: My point of order is, I think, perhaps elementary and simple. Is it in order for this debate to proceed on this motion when you, sir, are having under consideration the question of whether or not the motion is in order?

I understand what the government House leader was saying: "Let's all be nice about it. Let's carry on with the debate as though it is in order and waste our time, because at eight o'clock it will be ruled out of order." A kind of washing away of the rules.

I simply again place a point of order, which is quite simple: Is there a precedent—perhaps you can consult my friend, the member for Mississauga North. Is there a precedent in Erskine May, in the Sir David Lidderdale edition, for a debate to continue while a point of order with respect to

that motion being debated is under consideration by you, Mr. Speaker?

I would assume that it is not a question of six o'clock. I assume that you would simply say, "I am going to recess the House and will return at eight and give my decision on the matter." I think it is your prerogative.

I say to you, sir, that this lackadaisical way in which the business of this House is conducted; the lack of the introduction of any basic precedents; no support by the member for Mississauga North—the consideration is very serious. To

ask us to continue a debate on a motion which we consider to be out of order and which you have told the House that you are going to take under advisement, I think is out of order.

Mr. Speaker: I am quite clear, as I said before, what my prerogative is in this matter. When the government House leader raised an objection, I thought he was raising it on another matter.

As I said before, I do see it being six of the clock. I do now leave the chair.

The House recessed at 5:50 p.m.

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No. 154

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Second Session, Thirty-Second Parliament

Thursday, November 25, 1982

Evening Sitting

Speaker: Honourable John M. Turner

Clerk: Roderick Lewis, QC

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LEGISLATURE OF ONTARIO

Thursday, November 25, 1982

The House resumed at 8 p.m.

REPORT

STANDING COMMITTEE ON ADMINISTRATION OF JUSTICE (concluded)

Resuming the debate on the motion for adoption of the report of the standing committee on administration of justice on Bill 179.

Mr. Speaker: Order. As I undertook before leaving the chair for supper hour, I have had a chance to consider the point of order raised by the member for Riverdale (Mr. Renwick). My conclusion is that a motion was moved in the committee, accepted by the chairman and voted upon after his ruling had been sustained. Therefore, the report having been brought properly before the House, there is no basis that can be made that the motion is out of order.

Mr. Martel: Oh.

Mr. Foulds: Is that it?

Mr. Speaker: That is it.

Mr. Martel: The ruling being so very—

Mr. Speaker: Just a minute. We are not going to debate it. I have made the ruling.

Mr. Martel: I just wanted to say in a nice way that we challenge your ruling.

Mr. Foulds: We have no choice.

Mr. Speaker: Then let us be explicit.

Mr. R. F. Johnston: That was it.

Mr. Martel: I wanted to do it in a gentle manner, and you would not let me.

9:04 p.m.

The House divided on the Speaker's ruling, which was sustained on the following vote:

Ayes

Andrewes, Ashe, Baetz, Barlow, Bennett, Bernier, Brandt, Cousens, Cureatz, Davis, Dean, Eaton, Elgie, Eves, Fish, Gillies, Gordon, Gregory, Grossman, Henderson, Hennessy, Hodgson, Johnson, J. M., Jones, Kells, Kennedy, Kerr, Kolyn, Lane, Leluk;

MacQuarrie, McCaffrey, McCague, McLean, McMurtry, McNeil, Miller, F. S., Mitchell, Norton, Ramsay, Robinson, Rotenberg, Run-

ciman, Scrivener, Sheppard, Shymko, Stephenson, B. M., Sterling, Stevenson, K. R., Taylor, G. W., Taylor, J. A., Walker, Watson, Wells, Wiseman.

Nays

Allen, Breaugh, Breithaupt, Bryden, Charlton, Conway, Cooke, Cunningham, Eakins, Foulds, Grande, Haggerty, Johnston, R. F., Laughren, Lupusella;

Mackenzie, Martel, McClellan, McGuigan, McKessock, Miller, G. I., Newman, Nixon, Philip, Rae, Reed, J. A., Reid, T. P., Renwick, Riddell, Ruston, Samis, Swart, Sweeney, Wildman, Worton.

Ayes 55; nays 35.

Mr. Foulds: Mr. Speaker, I rise to continue my remarks, even though this party believes that—

Interjections.

Mr. Foulds: Mr. Speaker, I find it passing strange that the government, having brought forth a motion in committee that breaks all the precedents of this House and having presented to this House a report that breaks all precedents and establishes new rules and new methods of procedure—

Interjections.

9:10 p.m.

Mr. Speaker: Order, please. The member for Port Arthur has the floor.

Mr. Foulds: Mr. Speaker, I am amazed that the members of the government party seem to object to debate on this report. After all, it is their report, the report recommends to the House a piece of legislation that they are endorsing, and yet they somehow want the report passed without debate. I find that a little strange, a little unusual.

I did not have time over the supper hour to listen to any of the news reports that went out over the airwaves, but I was asked by a couple of reporters in the hallway whether I was engaging in a filibuster. I want to assure you, Mr. Speaker, and the members of the House, including the members of the government party, that I have no intention of engaging in a filibuster.

Interjections.

Mr. Foulds: Could we have a bit of order, Mr. Speaker? I do have a sore throat and I would like all members who wish to hear—

Mr. Speaker: I just remind the member for Port Arthur, we are not debating the report but actually the motion before the House. The motion is to adopt the report.

Mr. Foulds: Thank you, Mr. Speaker. I understand completely your ruling. I agree with it. I fully intend to abide by the rules. I want to assure all members of the House that I plan to be back in my riding tomorrow evening to attend a swim meet where my two sons are competing; so we are not in any way going to prolong the debate unduly.

Mr. Speaker: May we have unanimous consent to hear the government House leader?

Hon. Mr. Wells: Mr. Speaker, I want to indicate that I understand there has been agreement that the standing committee on resources development is going to meet from now until 10:30 to handle the estimates of the Ministry of Industry and Trade, if any of the members who are here want to go down.

Mr. Foulds: Mr. Speaker, I am sure that you of all people are sympathetic to the difficulties I have in keeping my train of thought because of the constant interruptions by members of the government party.

However, we have before us a report for adoption that is some five lines long. I want to speak directly to that report and to indicate to members, after my preliminary remarks this afternoon, in as succinct and direct a way as I can, why I oppose the adoption of this report.

For those members who have not bothered to read the report, and as the committee chairman or acting chairman or pro tem chairman who brought it in did not read it, I will read it for the edification of the members.

"Mr. Eves from the standing committee on the administration of justice presents the committee's report and moves its adoption: 'Your committee begs to report that it has decided not to proceed with the consideration of Bill 179, An Act respecting the Restraint of Compensation in the Public Sector of Ontario and the Monitoring of Inflationary Conditions in the Economy of the Province, but to report it to the House at this time.'"

One of the main reasons I am rising in my place to oppose this bill is that the motion you ruled in order, by which we must agree, is

directly contrary to the motion moved by the government House leader:

"Ordered that the standing committee on administration of justice holds two weeks, approximately 33 hours, of public hearings regarding Bill 179, sitting tonight"—then he gives a schedule of the sittings, which was agreed to—"with public participation ending on November 1; and that normal clause-by-clause consideration of the bill start on November 2, 1982, with sittings Tuesdays, Wednesdays and Thursdays at the times set out above; and that after"—and this is the important part—"clause-by-clause consideration is finished, the bill will be reported to the Legislature."

I submit that many times in the committee we had the chairman say to the members of the committee that they had to do such-and-such because of the mandatory instructions of the House.

Mr. Mackenzie: Time and again.

Mr. Foulds: Time and time again. In the mandatory instructions of the House which I have just read, it was the duty of the committee not to report the bill until after clause-by-clause consideration was finished.

Mr. Speaker: Order, please. I just remind the member for Port Arthur, that has already been ruled on.

Mr. Foulds: Mr. Speaker, I am not quarrelling with your ruling that the motion is in order. I am arguing why, having ruled that the motion is in order, this House should defeat the motion. It is not a point of order. It is part of the debate. It is one of the major reasons that I am opposing this motion and this report. I am suggesting to the House that this report should not be adopted.

I want to move on because I do not have much time left.

Some hon. members: Hurray.

Mr. Foulds: I want to suggest why I am opposing this report in substance. This report recommends to the House a bill that fundamentally infringes upon people's rights. Fundamentally, it infringes on the right of assembly and right of association, and it breaks the rule of law in this province which has been established over many years.

Any report of any committee that does that should be treated with the utmost seriousness in this House. I suggest to you and through you, Mr. Speaker, to all members of the House, that the government has not treated this bill, this report or this Legislature with the utmost seriousness.

When I had the pleasure of leading off on second reading of the bill for this party, I mentioned to the House that democracy, as described by Abraham Lincoln, was government of the people, by the people, for the people. Before the supper hour, the government House leader, a man for whom I have enormous respect, particularly when he was Minister of Education and I had the honour of being his opponent in the House in that portfolio, argued what I think is the most dangerous argument that can be put in a parliamentary democracy.

That argument is simply this—and I believe it is the argument of the member for Mississauga North (Mr. Jones), the chief government whip (Mr. Gregory) and the Premier (Mr. Davis)—that the majority must rule; that finally, when you come down to it, the opposition must be brushed aside and the majority must rule. I suggest that the government House leader weakened his case by making that argument.

The government House leader, when he was talking outside in the hallway—on which I would like to report, because it is one of the reasons that the government has given for pushing this particular report through the House at this particular time—said that a number of people may be hurt, may be detrimentally affected if the bill is not passed by December 31. I suggest that reason is the most sanctimonious claptrap that I have ever heard, because we had no consultation—

Mr. Runciman: It takes one to know one.

Mr. Speaker: Never mind the interjections, please.

9:20 p.m.

Mr. Foulds: Before the bill was introduced, we had no consultation with people affected by it. We had no consultation with the Ontario Public Service Employees Union, with the Ontario Federation of Labour or with any of the public sector unions before the bill was introduced by the government. We had no consultation with any of the opposition parties before the bill was introduced. What we had was a government poll that showed they needed to do something to refurbish their image before the public.

What we have in this province is not government of the people, by the people, for the people, but government of the people by the public opinion poll for the benefit of the Tories. What we have with this report and this motion is the trampling on the rules of this Legislature for the benefit of the Tories, for the benefit of the government party, so that they can get home for

Christmas and so they can save the face of the Treasurer (Mr. F. S. Miller). That is what we are engaged in here.

The government party has never taken seriously the statements that this party made from the beginning with regard to Bill 179. We were deadly serious when we said that on September 22 and 23 and we are deadly serious on it now. This bill is totally offensive to what we believe in and what we believe is the rule of law. The only opposition we can mount is the opposition of our poor voices. Our voices will use whatever talent, whatever timbre, whatever sound they can to oppose the bill.

Mr. Gillies: It is the democratic process.

Mr. Martel: What is democratic about it?

Hon. Mr. Ashe: What an irresponsible use of time.

Mr. Martel: We haven't been ruled out of order once. We haven't been ruled out of order.

Mr. Jones: Sure, you had to shut the committee down a couple of times.

Mr. Speaker: Order.

Mr. Foulds: I was not going to introduce this into my remarks—

Interjections.

Mr. Speaker: Order. The member for Port Arthur has the floor.

Mr. R. F. Johnston: Mr. Speaker, I think it would be appropriate if you would ask the Minister of Revenue (Mr. Ashe) to adjust his tiepin. It is obviously causing an aggravation.

Hon. Mr. Ashe: I know where I'd like to tighten it. It would be right around yours.

Mr. R. F. Johnston: Violence. He is getting violent.

Mr. Mackenzie: That's what we expect from him.

An hon. member: Mr. Speaker, that's a breach of the Criminal Code. He knows that.

Mr. Mackenzie: That's one of the reasons you are in trouble—I won't say it.

Mr. Foulds: Mr. Speaker, in very simple terms this bill hits at civil liberties in Ontario in the same way, although perhaps not to the same extent, that the War Measures Act did. This bill hits at what we consider to be the rights of individuals and groups to associate in a way that is unprecedented in Ontario's parliamentary history.

I am well aware the government believes that it has the right to do anything, that it has the right to bring in any law because it has a

majority. That is where we have a fundamental disagreement. We do not believe it has that right. We believe the government has a right to bring in a law as long as it is acceptable to the people which it affects, by and large.

This law singles out and victimizes a group of people in this province who need not be victimized, who should not be victimized. This law singles out a particular group of people without their consultation, without protecting their rights, without any consideration for what they want. In fact, it is directly contrary to what these people want, and for what? Any law that is brought in and any report of the Legislature which recommends a law should have some compensating benefits for those affected.

Let me illustrate by referring to perhaps one of the most controversial bills brought before this Legislature which all parties agreed to, the bill that required seatbelts for driving. There was a lot of opposition to that bill. It was mixed, and there were a lot of people who argued that their freedoms were being infringed by that bill. But that bill had the compensating, redeeming feature that all those affected by the bill, those having to wear the seatbelts, were provided with a modicum of safety that they would not otherwise have had. I suggest that the report of this committee recommending this bill to the House has no modicum of safety, no compensating benefits for those people who are affected by the bill.

Mr. Jones: Oh yes, it does. Those arguments were made in the debate in the committee.

Mr. Mackenzie: You will get your turn.

Mr. Riddell: Let him finish, Terry.

Mr. Jones: We have only heard it three times.

Mr. Foulds: The government House leader indicated during the supper break that the government felt this bill was necessary before Christmas. It felt that democracy was being threatened by the New Democratic Party, because we were engaging in the rules of debate. That is a widespread belief held by the honourable members sitting in the second and third rows and, I would suggest, some of those sitting in the front rows of the government side. But I suggest that this bill and the recommendation in this report are fundamentally contrary to the principles of democracy, and that is the reason we are opposing it.

As Aristotle said: "Democracy arises out of the notion that those who are equal in any respect are equal in all respects. Because men are equally free, they claim to be absolutely

equal." I suggest that this bill fundamentally breaches that principle, because it treats one class of worker, the person who works in the public sector, differently from other workers, those who work in the private sector. That principle of democracy as enunciated by Aristotle is breached.

Aristotle, wise old fellow that he was, also said: "A state is not a mere society having a common place established for the prevention of mutual crime and for the sake of exchange. Political society exists for the sake of noble actions and not of mere companionship." I suggest that any bill that does not enhance the principle of noble action is a bill that should not be passed by this House, and a report of a committee that recommends such a bill to this House should be rejected. This bill and this report fail on that count.

Reinhold Niebuhr put it very well when he said in *The Children of Light and the Children of Darkness*, "Man's capacity for justice makes democracy possible, but man's inclination to injustice makes democracy necessary." I suggest that this bill and the report that recommends this bill have brought before us man's inclination to injustice.

The government has admitted through the Treasurer and the Minister of Labour (Mr. Ramsay) that there are certain sections of the bill that result in actions that are not just to those who are on the receiving end of the bill, that there is an injustice visited on them. I suggest that that principle of democracy is being violated by this report before us.

I would like to wind up this section of my short remarks with a quotation from Robert Maynard Hutchins. He said: "Democracy is the only form of government that is founded on the dignity of man—not on the dignity of some men, of rich men, of educated men or of white men, but of all men. Its sanction is not the sanction of force but the sanction of human nature. Equality and justice, the two great distinguishing characteristics of democracy, follow inevitably from the conception of men, all men, as rational and spiritual beings."

9:30 p.m.

I suggest that the report before us, which we are currently debating, violates that principle of democracy. It does not treat men and women working in the public sector as people who are rational and spiritual beings. I suggest that this report violates that principle and dehumanizes those it is visited upon but, more than that, it dehumanizes those who agree to pass it, those

who go for it. For all those reasons, we should not accept the report of this committee.

I want to turn to a few quotations about Canada's historic sense of democracy. Norman I. Smith, who was the senior editor of the *Ottawa Journal* for a period of time, said something which the House should be conscious of as it forces this report and the procedure of this bill through the House. He said: "Canada's sense of destiny has depended much on whether one sat on a tractor or in an office, whether one lived in 1758, 1867 or 1965, whether one was Indian, Eskimo, French, English, Irish or Slav, whether one liked Ed Sullivan or Noel Coward, a queen or a president. It depends too"—and this is the important part—"on whether one believes democracy means majority rule or minority rights."

I suggest that in a true democracy we as legislators have to be as conscious of minority rights as we are of the rule of the majority.

Finally, I want to suggest that we should take a look at other bills that have been processed through this House which have had a less profound effect on the people affected than this bill has, which have received far greater debate, procedurally and otherwise, in committees outside of this House and which have received far greater public hearings than has this bill.

Let us take a look at them. The Child Welfare Act, which was a very important piece of legislation, received months of consideration in committee before it was reported by that committee to this House. I believe the Health Disciplines Act was considered by committee for almost a year before the committee felt it necessary and appropriate to report that bill to the House in the way this committee has reported the bill we have under consideration before us.

My goodness, even the Retail Sales Tax Act last spring and the—

Mr. Rae: The freedom of information act.

Mr. Foulds: We have not had a freedom of information act.

Mr. Rae: Because it was stuck in committee all the time.

Mr. Foulds: I am getting some help, thanks to my colleagues.

Mr. R. F. Johnston: The human rights bill, one of my favourites.

Mr. Foulds: Even the government borrowing bill, on which the member for Rainy River (Mr. T. P. Reid) conducted a genuine filibuster, was before the House much longer than this.

Mr. Renwick: It wasn't that genuine.

Mr. Foulds: Maybe it was not genuine. The cat and dog bill in the late 1960s was before the committee of this Legislature for many more weeks. If the cat and dog bill, which brought more mail to members of the Legislature than any other single piece of legislation, can be considered before a committee for several weeks and months, surely a bill such as this can be considered by a committee for several weeks and months. If it cannot, because this government feels it must be passed before Christmas, let us be very clear about what is happening here. The House leader told us before adjournment at six o'clock that the executive council had decided it needed this bill before Christmas.

I want to suggest to you, Mr. Speaker, that our opposition to this bill is a fundamental opposition that is not taken lightly, is not a frivolous opposition. In all seriousness, I suggest the debate has not been conducted frivolously in any way, shape or form. Those affected by this bill have had their rights taken away. More important, I want to say that those who bring about such a law, those who bring about such an arbitrary measure, bring about a debasing of the law, a disrespect for the law.

I suggest the committee report we have before us aids and abets that process because it does not understand that in this kind of parliamentary democracy those of us who feel strongly about the principle of law, those of us who feel strongly about the principle of the rights of association, those of us who feel strongly about collective bargaining rights must oppose such a law with every ounce of strength we can. We promised that on second reading of the debate. We will continue to do that.

Mr. Conway: Mr. Speaker, I listened with great interest, as I always do, to the speeches of the member for Port Arthur. He has taken us over quite an extended terrain in his reference to this report. Speaking for myself, I appreciate what he has had to say.

I do not intend to speak at any great length. I would simply like to indicate my own views as someone who sat for a couple of days at the justice committee hearings. I expressed my views in that committee, albeit rather briefly. I want to indicate that I do not very much like the motion that forms the substance of the report. I say that sincerely, adding to it my own feeling as a member that life in the justice committee had become quite a struggle.

I have only the highest regard for all honourable members who, by virtue of their assigned responsibilities, had to spend a lot longer period

of time in room 151 than I had to spend. As I said, I attended only two or three sessions, yesterday's session perhaps being the longest time in the committee. I saw things and I heard things in that room in the course of the debate on Bill 179 that I thought were not very parliamentary and did not do very much to advance the cause of parliamentary democracy in this place.

I want to make my feelings clear on the subject. I think it is extremely important for members of this House, whether individually or as part of a group, who feel deeply and passionately that they do not want something to happen, to express themselves in that respect. I do not think there is a member of this House who is not sensitive to the views of the third party with respect to Bill 179. They have made those views very clear in that particular committee.

9:40 p.m.

In my view there was little doubt, relative to my experience over the past seven years, that what I was seeing in the justice committee was somewhat extraordinary. It was a committee that appeared to me to be in a real deadlock. I indicated publicly and privately to members opposite and to my left that I felt something was going to have to be done if the business of this place was going to be advanced.

The member for Riverdale (Mr. Renwick), in one intervention yesterday, drew our attention very wisely to the traditions of this place post-1975, the only time during which I have had any experience in the House. He pointed out that there had existed something like chaos prior to 1975, when there was not the kind of framework that we developed through the House leaders' panel in the post-1975 period.

I want to make it very clear, Mr. Speaker, that my preference is very much for consensual agreement on the way in which we organize—

Mr. McClellan: It is a view from the sidelines.

Mr. Conway: The member for Bellwoods in his capacity as a whip says it is a view from the sidelines. It may be. I would perhaps be prepared to debate that with the member at another time.

I simply wanted to indicate that my preference is very much for an understanding among the members involved, either in the House generally or in a committee particularly, about how we might organize ourselves and discharge the business we have to discharge.

There is no question, and there ought not to be any doubt in the minds of honourable

members, that a difficulty is created when one member or a group of members takes the position of being fundamentally and unalterably opposed to something taking place. If that is the view of honourable members, then clearly the work of parliament is going to be made more difficult.

Mr. Speaker, I am sure you are wondering about specific reference to the report at hand. I want to indicate that, like the member for Riverdale, I view the substance of the report, which is now a forced acceptance by this Legislature in a new variant of closure, as a very wrong and regrettable step. I cannot underscore my feelings in that respect too heavily. I think we have developed a precedent in this situation which will not serve this institution in a positive fashion.

I and my colleagues have indicated that we have a series of amendments, 19 in all if I remember correctly, which we want very much to introduce into the debate on Bill 179. Among others of my colleagues, the member for Windsor-Sandwich (Mr. Wrye) has in his numerous interventions indicated what the position of this party is. I thought the member for Windsor-Sandwich said it very well yesterday when he indicated that it was our preference to keep this bill in the committee, where there are a number of members who have developed over the course of many hours and many weeks a familiarization with the issues and a sensitivity to the hearings, so that we want to keep the focus and the locus in that committee for this particular matter.

We feel that our amendments are important and should be entertained in that particular room, which is much preferred over the committee of the whole or in the Legislature generally. It is because we feel very strongly that the unprecedented nature of the resolution of the member for Mississauga North (Mr. Jones) is as serious as I have indicated we believe it to be, because of that unprecedented new dimension to closure we have in the particular report, because of our concern about making Bill 179 a more acceptable piece of legislation, because of our concern to talk sensibly and seriously to our amendments, which we want very much to put in the justice committee, that we feel very strongly that the motion put earlier today by the member for Parry Sound (Mr. Eves) is not acceptable and my colleagues and I will not be voting in favour of its adoption when that time comes.

We feel this is an important matter that ought

to be proceeded with in the justice committee. I think the traditions of this place and the whole parliamentary procedure here will not in any way be enhanced but rather set back by the new dimension of closure, which is the sum and substance of the resolution that forms the core of the report introduced by the member for Parry Sound.

Mr. Mackenzie: Mr. Speaker, I rise to oppose the motion to present the report to the House. I think it is a complete farce and I am really amazed at the actions of the government across the way.

I am amazed we can have a debate such as we are having here tonight dealing with this report, which is referring this bill back to the House without doing the work that was supposed to be done in committee. Some of the people who are going to carry the can for the next several years, not just months, as a result of this bill did not enter into the debate at all. I would really like to see the Minister of Labour on his feet to tell us exactly what he is going to do about the kinds of problems that are being created for collective bargaining in Ontario.

We spent close to three weeks in this House when the bill was originally introduced. We had slightly better than two weeks of public hearings. There should have been a lot more time for those public hearings. I do not know of very many bills, certainly not in the short seven years I have been in the House, where we have had over 100 presentations from interested parties. There were a lot more than 100, because there were meetings held all around Ontario where the people who were going to be hurt by that bill were making presentations at mini-hearings organized by some of the unions involved around the province.

We did not hear better than 40 of those groups before the committee. We did have a debate that started on November 2 when it was referred to committee for clause-by-clause. The first two weeks of that debate were tied up in what were procedural motions, I suppose, but they were substantive procedural motions. They were motions that said, "Before we can continue and work this bill clause by clause, we must have some answers as to what this bill is going to do to the future of collective bargaining in Ontario."

The bill may have been brought in by the Treasurer, and as my colleagues say, he is mentioned only twice in it, but it is one that fundamentally affects public servants and working people in Ontario—not just the public

sector, though that is who the Tories have carved out as the guinea pigs or culprits that the people are going to set up and use as examples. That is the group of employees who are being given a real guilt trip and told they are responsible for the economic problems in Ontario.

9:50 p.m.

We were told it is an economic bill that will resolve some of our problems. I do not know, I cannot for a minute understand, how an economic bill, this bill that has now been reported back into the House without having been dealt with clause by clause, is going to resolve our economic problems when the only thing it is really doing is removing purchasing power from the hands of an awful lot of people, the majority of whom are low-income workers. I know the Tories seem to have some real problems with teachers' wages these days, and it is true they may run from a low of \$24,000 to a high of \$39,000 or \$40,000. I do not begrudge them that at all, but that seems to have upset some members of the government.

I am much more concerned about the hospital workers, the day care workers, the civil servants right across the broad spectrum of jobs that are performed in government service. I guess I cannot make a better case than that of hospital or social service workers who are earning less than \$18,000—\$16,000 and \$17,000 are much more common—and who were able to achieve new contracts negotiated in many cases over months, but freely negotiated at the bargaining table, which finally gave them a two-year agreement, the second year of which was an 11 per cent increase. That is not a very big increase for someone in a \$15,000 to \$16,000 income range.

This kind of income level includes more than 50 per cent of the people who are going to be affected by this legislation. What happens to these people? Simply, their 11 per cent, as of the beginning of the next year of their contract, becomes five per cent. The government has just ripped up a legal and binding agreement. I cannot understand that. I cannot understand the mentality of these people. They either do not understand what they are doing or we have a bunch of scoundrels across the floor of the House who would pull this kind of stunt on these people.

What that means to a hospital worker, and let us make it very clear, is that in the second year of that contract he or she is going to get about \$1,000. At \$18,000, it is \$1,040 less than they would have had. The figures are disputed on

occasion, but somewhere around \$800 million is going to be taken out of the economy. We are told that might mean some lower municipal taxes. I have got to see that. What I do know is, this bill has been reported back to the House, those people who would spend every cent of that income are going to have about \$800 million less to spend and the Treasurer picks up that money.

When we try to ask him in committee, "Okay, it is an economic bill. Where are the jobs? What is it doing? How is it going to turn the economy of Ontario around?" we do not get any answers. We did get a rather frank admission from him that he had a number of options, one of them being to reduce his deficit in Ontario.

If that is the option, why is 15 per cent of the work force, of the population of Ontario carrying the can totally? It is not just what we do to them in terms of their wages. We have not just literally ripped up that contract so they have no bargaining power any more, but we have also denied them the right to strike. I recognize also that in the public sector there may be some sections of that where that is a popular move. One of those little things in testing the Gallup polls, or the polls that the Tories take, made them decide this was the group they could hammer and use as an example to scare the rest of the work force in Ontario.

I also know that when the government took away that right to strike, when it continued those agreements even though it had arbitrarily broken the commitment made, a legal binding agreement in terms of their wages, it denied them any potential redress or force. We also have a sizeable number of public servants in Ontario who do not have the right to strike and never had it, those covered under the Crown Employees Collective Bargaining Act, and the sawoff for that right to strike was always arbitration, something that this party has never been too happy about. But it was there. It was the avenue open to them.

What did we also do in this bill? We removed totally the right to arbitration. So those who did not have the right to strike and the alternative, the sawoff, the right to arbitration, have also lost the right to arbitration. If there is a dispute and a challenge to any of the provisions of it, one cannot go at anything more than the nine or five per cent; and it is up to that, it is not necessarily the full nine or five per cent.

One can go to the Inflation Restraint Board and there we have set up a czar with powers that were not in the Anti-Inflation Board that we had

back a number of years ago and that are every bit as tough as we had, as one of my colleagues mentioned, under the War Measures Act. If they get an appeal, Mr. Biddell and the Inflation Restraint Board make a decision—and I find this incredible—for which they do not have to give a reason. There is automatically no written judgement or decision. I have never seen such power put in the hands of one man.

All this means one has no strength whatsoever in terms of dealing with anything in that contract, no matter what some of the Tory members may say. One is forbidden the right to strike and the right to arbitration, one's wages are set arbitrarily and one cannot get a reason for a decision made by one person who hands down that decision. If there are some problems in the work force, we are told, "You can sit and negotiate."

The only negotiations the public service workers in Ontario can have are to go to management at whatever level, whether it is the provincial government, a municipal government or a social service agency, and say: "Please, we think this is wrong in our working conditions. Will you do something about it?" If management says, "No," that is it until the end of this control period.

The argument that they still could negotiate is a hollow one. It is not true. They have no strength whatsoever. I cannot understand the mentality that would decide we can put this kind of load on that small percentage of our population. I also know the intent, and to some extent the government has been successful with it, was that if it were tough enough with the public sector, with the unemployment and layoffs already out there in our community, it sure as blazes could control the private sector as well.

I find it interesting that most of the leaders in the private sector do not want controls as far as the private sector is concerned. At the meeting the Premier recently had with 35 of them, they made the point very strongly that they do not want controls in the private sector. The reason: because of the times and the circumstances, they think that if the controls were there they might be forced to go to nine and five. They think they can keep the wages even lower than that or knock out some of the benefits workers have won.

As a trade unionist, I can say that is happening in contract after contract opening right now. The first thing put on the table is a management request for a rollback of benefits or wages. It is happening in a major way at the International

Harvester plant in Hamilton and at any number of other plants. The pressure is on.

These same industrial leaders said to the Premier: "You make doggone sure you don't ease up or back off in terms of the controls in the public sector. They are the guinea pigs. They are the scapegoats." I find that tremendously offensive. I just cannot understand it.

I should point out one other thing that is already happening that is reprehensible to the ultimate. We have raised this with the Minister of Labour across the floor of the House. The bill is not officially law yet, although I understand the retroactivity provision, but we have an arbitration system, which has been the cornerstone, in the public sector in particular, of keeping some peace, some order and some ability to deal with problems, and which is already deliberately being cranked down.

Arbitrators are not being appointed and they are being encouraged not to reach decisions. There have been some vital arbitration cases in the public sector. I find that reprehensible. The Minister of Labour's argument is, "Well, it really does not make sense to go ahead with the arbitration procedures because we expect this bill is going to be law." I have great difficulty accepting that kind of reasoning or argument.

There is another thing happening that I pointed out in the committee before we broke up the other day. That was the fact that in some negotiations going on with some of the hospital workers, they ran into a real problem and they are very uptight about it. Why? Because all of a sudden they were informed the person from the Ontario Hospital Association they have been sitting down and negotiating with in an attempt to reach a new agreement—it was worse than this incidentally, but I will not go into all the details—would no longer be dealing with them because he had been transferred to work with Mr. Biddell's Inflation Restraint Board.

All of a sudden, they start seeing appointments of people they have had to negotiate with across the bargaining table. These are the kind of people we are going to have on the Inflation Restraint Board. What future, what hope, what possibility is there for these workers? It just is not there. It is almost unbelievable what is happening to them.

We went to the committee. We heard the people making their case. The case was such that I think anybody who really was concerned with people would have difficulty in not understanding the kind of effect there was going to be on people.

As I was going through my clipping service tonight, I could not help but notice a story from the Brantford paper. I wish the member for Brantford (Mr. Gillies) were here.

10 p.m.

The Acting Speaker (Mr. Cousens): As long as the member is dealing with the motion before the House.

Mr. Mackenzie: I am dealing with the bill that has been reported back to this House and why we should not accept that report and why it was stupid to send it back to this House.

This article says a gentleman in Brantford, named Saleen Yacouba, earns \$16,065 a year as a social services worker, the highest pay bracket in the organization. His wife cannot work because of back injuries. Every month he takes home \$986. He is expected to pay out \$308 for mortgage, \$30 for condominium fees, \$125 for heat and electricity, \$114 for his car loan, \$20 for telephone, \$8.50 for cable television. It leaves him with their baby bonus cheque, \$169 for food and family expenses. He has a family of five. How does he survive?

He goes on to talk about the fact that he had expected in their contract to get a sizeable increase, but at very best, and he does not meet that minimum level, he might see \$1,000 in the next year of his contract.

There are other examples, many of them worse than that. These are the kind of people we are nailing to the wall with this legislation. We are not doing it for one year, as we were told. That was the first thing we were told clearly in this House: that we were doing it for one year for a majority of the employees, for two years for a sizeable number and three years for some of them.

In the case of the teachers, and there may be a hallelujah from the Tories that we are finally getting at them, for those near retirement, we are also affecting their pensions; and the effects will be felt for a number of years, not just during the control-period years in this bill.

What is the kind of thinking that allows this government to move in this arbitrary way when there is nothing there as a counter to provide jobs? There is nothing in this bill that tells us this will turn the economy around. It is destroying basic, hard-won fundamental rights of working people.

If nothing else was brought into the picture, how do they justify tearing up a legal contract that has been negotiated through the process that is allowed under the Labour Relations Act

in Ontario? Honestly, how do they justify it? I would like any Tory member to tell me whether they would go in and tear up a contract of one of their business friends. Do we see any effort—and we are not suggesting it—to tear up the contract they have, unofficially I guess, with the doctors? We sure as blazes do not see it there.

It is interesting, and I think worth putting on record, that the percentage may be out one or two percentage points, but one of the suggestions that has been made as an alternative and has been put down by the members across the floor of the House is that if the Treasurer needs the money that badly, we should have a two per cent surcharge on \$40,000 incomes. A two per cent surcharge on higher incomes would bring in, based on last year's taxes, about \$290 million in Ontario.

For an \$18,000-a-year hospital worker to lose \$1,040 out of his negotiated contract is the equivalent of something like a 33 per cent tax increase on that family. How in blazes does the government justify that as well? It does not make any sense to me, no sense at all. I cannot understand the thinking of the people across the way.

When we have a phoney motion, such as we had in the committee on Wednesday, to report this bill back in without having dealt with it clause by clause—because we had only got to clause 1(c) and, sure, we had been fighting it hard and we intend to keep on fighting it hard—I have to ask, is there something that says that because the government has a majority we should make our case—make it tough as I think I heard my colleague from the Liberal Party say in his few brief remarks—make the point because we felt it very strongly about this particular legislation and then somehow roll over and play dead?

That is really what happened, when I think about the beginning of the end of democracy before the last war in Europe. Some people just were not willing to take a stand on issues that to begin with were not anywhere near as serious as they ended up being three or four years down the road. But here, the government is doing a fundamental disservice to workers. Here, it is ripping up legal contracts and that cannot be allowed to happen. I am not the least bit naive, but I did not think I would ever see that happen in this House.

For a brief period of time we dealt with the descriptive first subsections of the bill, but we have not dealt with substantive amendments that we want to place. And no, we are not going

to amend the wage control side of it; it is not worth it.

Mr. Jones: You had a chance to bring in some substantive ones and you didn't.

Mr. Mackenzie: Well, if the member wants his say, he should have it. He keeps interjecting; he did it all the way through the committee hearings. He probably extended them by 10 or 15 per cent. He should go ahead.

Mr. R. F. Johnston: It's true.

Mr. Mackenzie: It's exactly true.

Mr. R. F. Johnston: He responded to me for 20 minutes the other night to what he thought was an irrelevant motion.

The Acting Speaker: Order.

Mr. Mackenzie: We simply have a number of substantive amendments on the price side. We have tried with the wage control side of it before, so if, for once in Ontario, we took a serious run at the price side of the issue for a few months, we might not be in some of the trouble we are in. We might be able to cope a little better with the economic circumstances in the province.

So we are going to move substantive amendments in that particular sector. We know that the Liberal Party has a number of amendments. All through the hearings they have hung their hat on the fact that they were going to try to improve this bill with amendments. It cannot be done in terms of the basic rights of workers; it might be done on the price side of the bill.

We also know that the bill was poorly enough drafted and prepared that the Tories have a number of amendments they want to move. Without them, it is a flawed bill in a number of ways. There is nothing very substantive in those amendments, I can tell the members, but the bill is really a bit of a mess without some of the amendments, after we take a look at them, in terms of the kind of bill that has been presented to the House.

We have not dealt with one of those amendments from the Liberals or Tories. We have dealt with one from our side, which dealt with changing a name, because it was dishonest, it was a misnomer to begin with: Inflation Restraint Board. "Arbitrary powers board" would have been a heck of a lot more valid.

It seems to me that, although we have not dealt with those key arguments or with any of those key clauses, we have had the argument put to us that it was simply because of time; and because we had stirred up all of this opposition and done the job we have to date in trying to

hold up this bill and in trying to convince the government that this bill should be withdrawn, we are now somehow supposed to be nice boys and sit down and quit the arguments.

The one message that has to get through to this government is simply this: What they are doing is so mean, so vindictive and so dangerous and is going to have such an effect on collective bargaining right across the province that it must not be allowed to continue. It is for that reason we feel so strongly about it. We do not intend to sit down or lie down or rejoin the clubby atmosphere around here. This is an issue that clearly will divide the members of this House, let us make no mistake about that.

The Acting Speaker: Are we ready for the question?

Mr. Martel: Go ahead.

10:25 p.m.

The House divided on Mr. Eves's motion for adoption of the report of the standing committee on administration of justice on Bill 179, which was agreed to on the following vote:

Ayes

Andrewes, Ashe, Baetz, Barlow, Bennett, Bernier, Birch, Brandt, Cousens, Cureatz, Davis, Dean, Eaton, Elgie, Eves, Fish, Gillies, Gordon, Gregory, Grossman, Henderson, Hennessy, Johnson, J. M., Jones, Kells, Kennedy, Kerr, Kolyn; Lane, Leluk, MacQuarrie, McCaffrey, McCague, McLean, McNeil, Miller, F. S., Mitch-

ell, Norton, Ramsay, Robinson, Rotenberg, Runciman, Sheppard, Shymko, Srivener, Stephenson, B. M., Sterling, Stevenson, K. R., Taylor, G. W., Timbrell, Walker, Watson, Wells, Williams, Wiseman.

Nays

Allen, Breaugh, Breithaupt, Bryden, Charlton, Conway, Cooke, Cunningham, Eakins, Foulds, Grande, Haggerty, Laughren, Lupusella, MacKenzie, Martel, McClellan, McGuigan, McKessock, Miller, G. I., Newman, Nixon, Philip, Rae, Reid, T. P., Renwick, Riddell, Ruston, Samis, Stokes, Swart, Sweeney, Wildman.

Ayes 55; nays 33.

Ordered for committee of the whole House.

MOTION

STANDING COMMITTEE ON REGULATIONS AND OTHER STATUTORY INSTRUMENTS

Hon. Mr. Wells moved that estimates of the Ministry of Transportation and Communications be transferred to the standing committee on regulations and other statutory instruments, and that the committee have authority to sit on Monday evenings.

Motion agreed to.

The House adjourned at 10:30 p.m.

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Ontario

Legislative assembly

No. 155

Legislature of Ontario Debates *and proceedings*

Official Report (Hansard)



Second Session, Thirty-Second Parliament

Friday, November 26, 1982

Speaker: Honourable John M. Turner

Clerk: Roderick Lewis, QC

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LEGISLATURE OF ONTARIO

Friday, November 26, 1982

The House met at 10 a.m.

Mr. Nixon: The cabinet started Grey Cup weekend a little early with a big party last night.

Mr. McClellan: Here comes Mr. Dress-Up.

Mr. Sweeney: Mr. Speaker, I was wondering if a ruling is required on whether the Premier (Mr. Davis) is attired in what could be called parliamentary dress.

Hon. Mr. Davis: Today, yes.

Mr. Cunningham: That's the new Argos drawback.

Mr. Speaker: As the member for Kitchener-Wilmot (Mr. Sweeney) may know, this matter has come up on previous occasions and we do not have any restrictions or requirements or a dress code.

SUPPLEMENTARY ESTIMATES

Hon. Mr. McCague: Mr. Speaker, I have a message from the Honourable the Lieutenant Governor signed by his own hand.

Mr. Speaker: John B. Aird, the Lieutenant Governor, transmits supplementary estimates of certain additional sums required for the services of the province for the year ending March 31, 1983, and recommends them to the Legislative Assembly, Toronto, November 26, 1982.

TRADE MISSIONS

Mr. McKessock: Mr. Speaker, on a point of privilege: It has been brought to my attention by the former Minister of Agriculture and Food, the member for Lambton (Mr. Henderson), that in a speech I made in the House last Thursday I incorrectly said five government members attended a trade mission to Korea and Japan. I checked Hansard and that is what is recorded. What I should have said was five government people, including the minister, and 10 people from the private sector attended the mission to Korea and Japan. I am sorry for any misrepresentation. This has been a word change, but the expense to the taxpayer has been unchanged.

ASSISTANCE TO FARMERS

Mr. McKessock: I have a second point of privilege, Mr. Speaker. It pertains to a news

release put out by the present Minister of Agriculture and Food (Mr. Timbrell) which refers to the Ontario farm adjustment assistance plan.

I quote from the fifth paragraph: "Since this program was announced, more than 3,000 farmers have received financial assistance through the program's three options. The total value of assistance under each option to date is: \$267,768 under the interest deferral option A; \$570,894,488 under the interest rebate option B. . ."

The total amount of dollars committed to this program was only \$60 million. Therefore, there is no way \$570 million could be given out in total assistance. I feel the minister will want to make a correction because it gives a false statement to the thousands of readers across Ontario who are reading this announcement.

Mr. Speaker: The minister will undoubtedly take note of that.

[Later]

Hon. Mr. Timbrell: Mr. Speaker, on a point of order: I understand that at the beginning of proceedings this morning, the member for Grey (Mr. McKessock) raised a matter on a point of privilege, which I appreciate. It has to do with a press release issued from our ministry in conjunction with a speech I made to the annual meeting of the Ontario Federation of Agriculture on Tuesday evening.

Hon. Mr. Davis: Great speech.

Hon. Mr. Timbrell: It was a great speech but, unfortunately, the press release could have been a little clearer.

Mr. Riddell: Did you get a standing ovation for that?

Hon. Mr. Davis: He got a standing ovation.

Mr. Speaker: Order.

Hon. Mr. Timbrell: This matter was drawn to my attention the next day by the member for Chatham-Kent (Mr. Watson) and, as a result, a correction notice is in or should be in the members' boxes this morning and distributed to the press. I will send a copy to the member for Grey. I apologize for any inconvenience it has caused him.

ORAL QUESTIONS

SALE OF RENTAL UNITS

Mr. Conway: Mr. Speaker, my question is to the Minister of Consumer and Commercial Relations. It concerns the flip-over of the Cadillac Fairview apartment units in the city of Toronto. Press reports this morning continue to raise a series of questions concerning this most mysterious of transactions.

We have learned today that despite the sale, Cadillac Fairview continues to manage these buildings. Perhaps more interesting, and even more mysterious, it is now reported that the Saudi Arabian interest in this deal is merely a minority and not a majority interest, and that the numbered companies owning the buildings are owned and controlled by Canadian investors.

Can the minister confirm or deny that the second part of that question is the case? Can he confirm or deny it is Canadians and not Saudi Arabians who control the majority interest in those numbered companies?

Hon. Mr. Elgie: Mr. Speaker, in one of the statements I made, I think I outlined that the intention indicated to me was that Cadillac Fairview management, as it pertains to its residential properties, would be sold to someone who would manage the properties with the same staff which had managed them in the past. As of the present time, I understand Cadillac Fairview continues to manage them. I have not inquired into the details of when that transfer will take place, but I will be pleased to do so if the member thinks it is important for us to know that information.

With respect to whether or not the reported investors from Saudi Arabia constitute a majority or a minority of the beneficial owners, as I have said in committee and in the House, the only information I have is the information given to me that the investors were Saudi Arabian. To date, I have no information to claim otherwise. The Touche Ross firm is at present involved in a review of all the trust companies and Greymac Mortgage, and we may get some further information from that. When I have such information, I will be pleased to reveal it at the appropriate time.

Mr. Conway: Unfortunately, because of the din I did not quite pick up the minister's response to the second part of the question. Let me just say, though, we certainly want the minister to know we consider it a matter of importance to ascertain the point at which the

Cadillac Fairview Residential Management involvement ceases because the people living in the 11,000 apartment units that are affected are very much concerned to know who will be setting their rents. The minister will know that we want very much to have that information.

10:10 a.m.

We are aware that the minister, in his statement of 10 days ago, triggered the Morrison inquiry under section 152 of the Loan and Trust Corporations Act. We are aware that is under way. Since his deputy minister, I believe, indicated earlier in these discussions that there was an involvement, and since there was a discussion with Kilderkin about the numbered companies and the flip-over, I would like to ascertain this morning whether or not the minister can indicate if he now believes that Mr. Mastin, Leonard Rosenberg and Mr. Player have also dissembled and have not told him the truth about these Saudi Arabian interests? Is that what we are led to conclude this morning?

Hon. Mr. Elgie: I do not see that I can add any further information which will resolve the issue for the member. Again, I can only repeat the information given to me. We think it is important for us to try to ascertain as a fact—that is not saying that the people who gave me the information did not provide me with the facts, but what the member is talking about is other objective evidence as to ownership. We are pursuing a variety of approaches to see if that information can be obtained because we think it is important for us to know that.

Mr. Rae: Mr. Speaker, I have learned the dangers of repeating information given to me. I am surprised the minister has not learned the same thing. I would like to ask him—

Hon. Mr. Gregory: He has not made any mistakes.

Mr. Rae: He has not made any mistakes, the Premier (Mr. Davis) says? We will find out.

Hon. Mr. Davis: I didn't say that.

An hon. member: The whip said that.

Mr. Rae: I am sorry.

Mr. Speaker: Supplementary please.

Mr. Rae: I apologize. I appear to have attributed remarks to the Premier which he did not make. I was so dazzled—

Hon. Mr. Davis: It is not the first time, nor will it be the last time you do that.

Mr. Rae: I could say the same thing to him. I was so dazzled by the Premier's dress that I was

not able to see the whip for the aura around the Premier.

I would like to ask the minister about the audit which has been ordered under section 152 of the Loan and Trust Corporations Act which, as the minister well knows, is restricted to asking questions of corporations that are covered by that act; in other words, corporations that are either loan companies or trust corporations.

Can the minister tell us whether either Cadillac Fairview or Kilderkin is a loan or trust corporation for the purposes of section 152? If they are not, how can he possibly find out who are the owners today? How can he possibly find out the nature of the transaction? And how can he find out if he has been misled, not once, not twice but, it would appear, three times?

Hon. Mr. Elgie: Mr. Speaker, the first question is whether or not the inquiry, under part II of the Public Inquiries Act, which is envisaged under section 152 of the Loan and Trust Corporations Act, is a restricted inquiry. Certainly, since the section comes under the Loan and Trust Corporations Act, the first inquiries by the special examiner will be within that framework.

As I believe I have said to the member here and certainly in committee, it is my view and belief, as it is my staff's, that the nature of the transactions, in other words, the ascertaining as to whether or not they were arm's-length transactions—I am not saying they are or are not, and that is why the process is under way—should lead inevitably to some understanding of all the transactions that took place.

As I have said very clearly before, once the investigation of our own enforcement branch is completed, and if there is information we feel is still necessary, I am certainly keeping my options open. The member for Hamilton East (Mr. Mackenzie) can giggle and all that stuff, but I do not want to be like Tom Thumb. There is a poem that should be written:

"There was a young man from York South,
"Who kept putting his foot in his mouth."

Interjections.

Mr. Speaker: Order.

Hon. Mr. Elgie: I am not prepared to march into this House with brown envelopes and a grand style and reveal secret information. I am sorry, Mr. Speaker, that is not relevant to the question.

Mr. Conway: It is obvious from the minister's

answers that there remains in his own mind and in the mind of the department a substantial amount of uncertainty about who owns what at this particular time. In view of these latest press reports, which indicate that it may very well be the case, contrary to what we believed a short time ago, that Canadians and not Saudis own the majority of the interest in those numbered companies, does the minister not believe that, given the narrowness of the section 152 inquiry, given that it is clearly not going to be able to get to the bottom of all of this, the time has now come for the minister to order a full public inquiry under the Public Inquiries Act?

Second, would the minister not agree that it is truly an unhappy spectacle, not only for the province as a whole but for all those tenants most directly and especially involved in this mysterious series of transactions, that we have a public watchdog, a public regulator—in the case of the government of Ontario, the Minister of Consumer and Commercial Relations—who, as a watchdog, we see standing idly by while the cats of Kilderkin dance happily and with reckless abandon across his happy face?

Hon. Mr. Elgie: To paraphrase, "Oh, what a rogue and peasant slave is he. Is it not monstrous that this player"—no, pardon me, Mr. Speaker, that was from another era, but it does seem to have some application to the particular member's grandiosity as he speaks on these issues.

Seriously, whether he is asking the question as a member of this House or as a player in that great piece that Shakespeare wrote, I may say that I have as much interest as he does, and I suspect more than he does in some areas, in finding out the facts about this case. I have indicated very clearly the terms of reference of the Morrison inquiry, and I have indicated very clearly that the government's options remain open once information is obtained following that report.

HYDRO CONTRACTS

Mr. Conway: Mr. Speaker, I have a new question of the first minister. The first minister will recall that over five years and four months ago he stood in his place in this House and said he would make available the report of one Campbell Grant into certain matters arising from certain disclosures from the diary of Mr. Harold McNamara during the famous dredging trial. The first minister made a promise to this House over five years and four months ago, on

July 8, 1977, that he would make the report of Campbell Grant available as soon as he could, having regard to the court cases being heard at that time.

As the Premier will know, many of us, certainly this member, would want to see that the courts proceed, as he drew our attention to in this case, but he will also know that not only has Mr. McNamara exhausted all his appeals but a number of the people involved have served their time and have returned to the community.

My question to the first minister, a man who has repeatedly and regularly invited the province to take note of how he keeps his promise, is, can he indicate how and when he intends to keep his promise to this House made on July 8, 1977, that he would make available to the House the report of Campbell Grant on those matters the honourable gentleman was discharged to inquire into?

Hon. Mr. Davis: Mr. Speaker, I believe the member for Riverdale (Mr. Renwick) asked this question a few weeks ago. I think I indicated then that I would consult with the Attorney General (Mr. McMurtry). I shall again. I am only going by memory that there are one or two who are still involved in the appeal process. I will confirm that for the member, and either the Attorney General or I will have some observations early next week.

10:20 a.m.

Mr. Conway: Can the Premier indicate from his knowledge of the report whether or not there are matters in the report that would have at this late date a bearing on those appeals, given the very great amount of time that has passed? Can he indicate whether or not there is a substantive reason for holding back the release of this report—he being a Queen's Counsel and some of the rest of us being somewhat less?

Will he then indicate more firmly exactly when the Attorney General or the first minister will be making this commitment? Some of us have waited a long time. This matter has been raised a total of 11 or 12 times since the Premier made his commitment to us five years and four months ago.

Hon. Mr. Davis: I would remind the member of the points of view expressed by his colleague from Ottawa East (Mr. Roy). I will not presume to offer any legal opinions. I learned that many years ago, first, because I do not think I should and, second, because I do not feel competent to offer legal opinions of that nature. I can only say to the honourable member, I shall consult with

the senior law officer of the crown, the Attorney General, and get his advice.

Mr. Renwick: Mr. Speaker, as the Premier indicated, I share the same interest as the member for Renfrew North in this matter. The latest information I have from the Ministry of the Attorney General is that three of the companies which were convicted got leave to appeal to the Supreme Court of Canada on a relatively narrow legal point. However, if they were successful, new trials would be ordered.

I also understand that three individuals and one company are seeking new trials in the Court of Appeal. The latest that I am aware of in these matters is that they are in the assignment court and I do not know what the results of those matters are. That information is from earlier this year.

I would appreciate it if the Premier or the Attorney General would give us the very specific and precise details of any actions or matters which are still before the courts. That is my question. Could I ask the Premier, or the Attorney General, to be certain that we get a precise statement on the matter early next week?

Hon. Mr. Davis: Mr. Speaker, the member and I may always disagree as to his definition of what is precise or not totally precise, but I know what he is asking. I shall endeavour to accommodate him.

Mr. Nixon: The chief law officer has just joined us.

Mr. Conway: If I might redirect, with the pleasure of the first minister, who involved the chief law officer in one of his earlier answers—

Mr. Nixon: Not knowing he would be coming in this morning.

Mr. Conway: —not knowing that the chief law officer would be with us this morning, might I ask the Attorney General if he can help us in understanding why these consultations between himself and his boss have been so endless?

We have been told before on at least three occasions that there would be consultations, after which there would be a report. We waited and we heard little or nothing. I am wondering whether or not the Attorney General can help those of us who want to know something about why it is the Campbell Grant inquiry report has not or cannot be made available to this House, since it was in July 1977 that the Premier "hissed" promised it to the House.

Can the Attorney General shed some light on specifically why there has been such a delay, in

view of the fact that many of the principals not only have had their court cases, but in fact have served their time and have returned to the community? Can he indicate what the particular problem is, and try to dispel a feeling that is shared by some that there is something of a stonewall, something of a cover-up, on what might very well be an unduly sensitive and perhaps very embarrassing situation for the government of which he is so prominent a part?

Hon. Mr. McMurtry: Mr. Speaker, I am delighted that the Premier of this province continues to consult with the Attorney General in relation to matters affecting the administration of justice. Obviously I would be very distressed if he ceased that process.

With respect to this matter, my understanding at the moment is that it is still pending before the Supreme Court of Canada. Quite frankly, I have not had a recent report on the matter. I will find out the status of these matters.

GAS PRICE DIFFERENTIAL

Mr. Rae: Mr. Speaker, my question is for the Minister of Consumer and Commercial Relations. I am sure the minister is aware of a report published in newspapers that the average price spread between leaded and unleaded gasoline is 2.4 cents a litre when, according to a consultant's report for Environment Canada, the differential in the cost of production is only 0.4 cents a litre.

Given the minister's responsibility for prices and for consumer protection in Ontario, I want to ask him whether he is investigating these spreads and whether he will consider a price freeze as a way of getting back literally millions of dollars that consumers have overpaid if these reports are correct.

Hon. Mr. Elgie: Mr. Speaker, along with all members of this House and the public, I read that article with great interest. We did meet with staff to discuss what options we might have. It was pointed out to me, as the article clearly indicated, that this is an area of federal responsibility.

At present there is an inquiry into the petroleum industry, and the Minister of Consumer and Corporate Relations in Ottawa does have certain responsibilities with respect to fair pricing under a number of pieces of legislation. Accordingly, I have written to him, pointing this out to him and asking whether he would be prepared to have this price increase looked at under his legislation.

I think the honourable member would agree

that it would be unfortunate if there were duplicative efforts going on. But that is the state of things at present.

Mr. Rae: I simply do not understand the minister's reluctance. His responsibility for prices and contracts within the jurisdiction of the province is very clear, according to opinions on the Constitution issued by no less a source than the Attorney General of this province (Mr. McMurtry) himself.

Given that, I want to ask the minister whether he is aware that a survey of Sunoco stations has shown that the spreads are just as high at Sunoco stations as they are elsewhere. How does he feel about the fact that stations in which the government has a direct interest are engaged in precisely the same questionable practices as other gas companies?

Hon. Mr. Elgie: Again, I think the member is trying to insinuate a lack of interest in the problem. I believe he will agree that if the leaked report is an accurate report, it is a report on a national issue. I would suspect that he would understand, having come from that great parliamentary centre in Ottawa, that if national issues are going to be investigated, it would be unfortunate if provinces carried out duplicative efforts at the same time that was going on.

Let the member have no doubt that if there is any indication given to me that they are not interested in this problem, then we will have to look seriously at measures we might take.

Mr. Nixon: Mr. Speaker, surely the minister must be aware that his seatmate, the member for Scarborough Centre (Mr. Drea), the former Minister of Consumer and Commercial Relations, was one of the first to indicate that there was a ripoff associated with this unleaded gasoline business. The former minister is nodding.

The present minister says that if Ottawa does not do something about this, he may have to do something. Can he explain why his ministry has been in possession of these facts for years, since the member for Scarborough Centre had the responsibility, and it has never done anything about it, even though he expressed his concern in this House that long ago?

Does the minister really feel he has to wait for the federal government to take some action, particularly when he and his ministry had been aware of the problem long before it became a subject of interest to the leader of the New Democratic Party?

Hon. Mr. Davis: That's right.

Hon. Mr. Elgie: Is that right, Premier? It is right. I know other members may feel at times that the present minister is not outspoken enough when he indicates his views on things. I am one of those who thinks he speaks quite freely on issues that confront him. The action the former minister indicates he took was to place the responsibility where it rests, with the federal government. That is what he did.

10:30 a.m.

I have made my position clear. The member can play all the little games he wishes, but he knows this is a national issue affecting all provinces. If the federal government refuses to accept its obligations and responsibilities, then clearly the provinces have to do something.

Mr. Rae: The one thing I learned in my very brief time in Ottawa was that we cannot expect any action at all from the Liberals. If the minister paid any attention to the statements that were made in the federal House by Mr. Ouellet, he would know perfectly well that what Mr. Ouellet said—

Mr. Speaker: Question, please.

Interjections.

Mr. Speaker: Order. If the member for Rainy River (Mr. T. P. Reid) is quite through, I will recognize the member for York South.

Mr. Rae: I can well understand the sensitivity of the Liberal Party on this question. The fact remains that Mr. Ouellet has stated quite clearly that in his view it is a matter of provincial jurisdiction. Surely the minister would agree that it is time the buck-passing stopped and that the Minister of Consumer and Commercial Relations took some responsibility for prices that are being imposed on gas that is being sold in Ontario.

Does the minister's reluctance to carry out his own investigation have anything to do with the fact that Ontario, thanks to the ad valorem tax, has a direct stake in this kind of price differential and in these kinds of rates being charged for unleaded versus leaded gas?

Hon. Mr. Elgie: The great tragedy and a point of interest in this whole thing is to see friends squabbling like this. I think that is important. They are on the same side. They have little disagreements, they may have reform elements that trouble each other, right-wing elements, but they are basically friends. It is a lovers' quarrel, literally.

Mr. Speaker: Now to the question.

Hon. Mr. Elgie: I really have nothing more to add to this. I hope the member will appreciate that with the federal government having a commission of inquiry into the petroleum industry, to suggest they have no interest in the issue of petroleum prices is to deny that he has been there for several years and should understand that.

I know the member has had certain interests up there in having elections called frequently, but I think on occasion there have been things accomplished and I hope the government of Canada is serious about it, since it took the trouble and spent public money to have an inquiry into petroleum product pricing.

Mr. Rae: The minister's faith in Liberalism is truly touching.

CANADIAN PIZZA CRUST LTD.

Mr. Rae: Mr. Speaker, I have a question for the Minister of Labour. It concerns Canadian Pizza Crust Ltd. and the very difficult circumstance that is being faced by 22 East Indian women who work the evening shift at this company. On going into work on October 7 and asking for a 30-cent raise which had been promised to them and which had been given to workers on the day shift, they found themselves locked out and then received notices that they had quit their employment.

I am sure the minister is aware of this case, but I will ask, first of all, is he aware of it? Will he investigate this disgraceful situation? Can he undertake to the House that he will report back to us by Tuesday on all the steps his ministry is taking with regard to these employees?

Hon. Mr. Ramsay: Mr. Speaker, I believe there were three questions there. Am I aware of it? Yes. Will I investigate the matter? The matter has already been investigated. Will I report back to the House by Tuesday? I do not want to make an absolute, firm commitment, but I am relatively sure that I will be in a position to report back by Tuesday. I believe that was when the member said.

Mr. Rae: Would the minister not agree that if the Employment Standards Act contained a simple and fundamental provision that every employee in Ontario should be protected by a clause in his or her contract requiring an employer to have cause before being able to dismiss the person, these women would be working today? Would he not agree they would have their jobs back and would not be facing the kinds of delays and very real economic difficul-

ties which have resulted from the action of this employer?

Hon. Mr. Ramsay: Mr. Speaker, while I acknowledge that the actions appear to be completely unreasonable, I am certainly not going to make any commitment to change the act at this time.

Mr. Rae: In the face of this example and many other examples where workers who are not unionized have literally no protection in terms of getting their jobs back, I must say that I find the minister's attitude, as a minister who is supposed to be responsible for protecting the rights of working people, rather surprising, to say the least.

The minister will be aware that on October 8, the women went to the Ontario Labour Relations Board and were told that because they were non-unionized they could not get help. They were not directed by the labour relations board to employment standards. It was only after other individuals directed them to the Ontario Human Rights Commission and elsewhere that they were finally able to attempt to get some help.

Would the minister not agree that this delay process has to stop? Finally, would he not reconsider his answer to the second question? Does he not agree that it is more important for these women to be able to get their jobs back than anything else?

Hon. Mr. Ramsay: In response to the last question asked by the honourable member, our ministry is studying at great length, at the present time, the matter of unjust dismissal. So, when I said that I was not prepared to make any changes in the act, I did not mean that we were not prepared to look at the circumstances. In fact, we are doing just that.

It is unfortunate if, indeed, these people were turned away from the Ontario Labour Relations Board without an indication of where they might go for assistance. I will be happy to look into that because that is certainly contrary to their normal mode of operations.

DEATH OF MARILYN GARTON WHELAN

Mr. Breithaupt: Mr. Speaker, I return with a question to the Attorney General concerning the death of Marilyn Garton Whelan.

In September 1978 it was the view of David Watt, a senior crown attorney, that the case should proceed, and in January 1979 it was the view of Bruce Affleck, a former crown attorney, that: "The case should be prosecuted. There

were errors in law on the part of the judge, insurmountable evidence of guilt and, as the case stood, there was a flagrant miscarriage of justice."

In view of these comments, would the minister explain why, when he wrote to Mr. and Mrs. Garton in October last year, he said, "To prefer an indictment, particularly after a lengthy delay, will be regarded by most of the public as an abuse of the justice process," when the delay in this case was entirely unnecessary, indeed, the transcripts took 13 months to complete, and the delay, in any event, was none of the Gartons' doing?

Hon. Mr. McMurtry: Mr. Speaker, of course, I appreciate the delay was none of the Gartons' doing. But, Mr. Speaker, when it comes to the Attorney General making a decision to prefer an indictment directly, notwithstanding the discharge of the accused after a lengthy preliminary hearing, obviously the status of the Gartons is not in issue.

I expressed my concern to the Gartons in relation to the delay as far as the preparation of the transcript was concerned. The delay was caused by a number of events, some of which were unavoidable, and some in my view were incredible and, certainly at the very least, most unfortunate, but it was a matter that was reviewed very carefully by all the senior law officers in the criminal branch of the ministry.

10:40 a.m.

While there may not have been total unanimity as to the proper course of action, which is hardly unusual when lawyers are discussing a complex legal issue, I can assure the member for Kitchener that the overwhelming view and advice to me was not to prefer an indictment.

If that had not coincided with my own view of the matter, and I take responsibility for that, I would have had a responsibility to proceed. I cannot recall at this point which law officers expressed which opinion, and this is something else which may or may not be pursued in estimates, but I can assure the member for Kitchener it was the majority, if not overwhelming view of the law officers who were advising me that it would not be in the public interest to proceed with a preferred indictment.

Mr. Breithaupt: Mr. John Takach, director of crown attorneys, has said and I quote, "It is my respectful opinion that His Honour Judge Clendinning did in fact err in discharging the accused at the preliminary." Will the Attorney General at least undertake to make his ministry

facilities available to Mr. and Mrs. Garton so they can locate Dr. Whelan and serve him with a notice of motion in the Supreme Court to have a justice of the Supreme Court consider the preferral of an indictment against Dr. Whelan which, while it is a rare occurrence, is at least a possibility under the Criminal Code?

Hon. Mr. McMurtry: There are really two parts to that supplementary question. I think the member for Kitchener appreciates that, while we often do not agree with the decision of a provincial court judge in discharging an accused at a preliminary hearing, that in itself does not necessarily justify the preferral of an indictment.

It was certainly our view that Judge Clendinning should have required the accused to stand trial, but one has to look at all the circumstances before one circumvents the preliminary hearing process.

With respect to what would be involved in assisting the Gartons in serving Dr. Whelan with notice of motion, as the member has stated, according to his best information Dr. Whelan is residing in Saudi Arabia. I certainly will give them any advice. I think they are represented by counsel. If we have any way of ascertaining his whereabouts, we would be happy to assist in that regard.

At this time, I am not sure what the appropriate legal mechanisms are when it comes to service of this type of notice of motion which, as the member opposite states, is a very unusual proceeding when it comes to a citizen of Canada who is residing in a foreign jurisdiction.

WINDSOR PACKING

Mr. Cooke: Mr. Speaker, I have a question for the Minister of Labour. It concerns Windsor Packing, a matter that has been raised in the Legislature on a number of occasions. I would like to ask the minister what new information he can provide us with on this plant, which involves 190 workers.

I am sure the minister understands that at this point the only thing that has been established, as I understand it, is that well over \$1 million is owing to the workers. There are great fears at that company that the owners are going to sell off the assets separately, therefore making it impossible to find new owners for the company and re-establish these jobs in the city of Windsor.

Hon. Mr. Ramsay: Mr. Speaker, the honourable member is correct when he states there are unusual circumstances involved in the Windsor Packing collapse. There is a thorough investigation going on at the present time by the Ontario

Provincial Police. For that reason, I am a little reluctant to enter into any detailed discussion.

The total amount of money that is involved in vacation pay, unpaid wages and termination pay totals \$711,000, with severance pay in excess of \$503,000, so it is well over \$1 million. Almost \$1.25 million is involved. The receivers are providing, and have been providing, the employment standards branch with an estimate of the assets and liabilities, and the branch is continuing to monitor the situation. I also understand that the United Food and Commercial Workers are contemplating action under the Ontario business corporations tax.

Mr. Cooke: Is the minister able to confirm that the owners of this company have rejected two offers to purchase this company and thereby preserve the jobs? Would he also give a commitment to the union involved with this company that he will meet with it? I understand the union has requested a meeting and at this time it has been referred instead to the plant closure review committee. The biggest concern of the union is that it is not getting the kind of information it needs to pass on to its members and to find out exactly what is happening to their jobs.

Hon. Mr. Ramsay: I was not aware the union had requested a meeting with me. It might well be the case, as the member says, that it has been advised it should be meeting with the plant closure review committee, but I have no objection to meeting with it. I would be happy to do so.

I am sorry, what was the other part of the honourable member's question?

Mr. Cooke: The other part was to do with offers to purchase.

Hon. Mr. Ramsay: Yes, whether I was aware. I have heard rumours to that effect, but I cannot substantiate the matter he has raised.

UNEMPLOYMENT

Mr. T. P. Reid: Mr. Speaker, I have a question for the Premier on Ontario's long-term economic prospects. The Premier no doubt knows that probably a quarter or more of the people who are unemployed in Ontario have lost their jobs permanently. The Premier is also aware that the place of Canada and Ontario in the productivity list was 12 out of 14 of the western democracies and that our productivity levels seem to have been not only not increasing but falling. Would the Premier indicate what his government is going to do in terms of the

long-term economic prospects for Ontario, given the fact that short-term job creation is only for an 18-month period. What are we going to do after this recession, which we may never fully get out of?

Hon. Mr. Davis: Mr. Speaker, I want to start my answer by saying I am very optimistic about the long-term economic future of this province. That will come as no great surprise to the member. I know he shares that with me. I know in his own constituency he says—

Mr. T. P. Reid: Especially with a Liberal government.

Hon. Mr. Davis: I thought it would be Liberal-Labour—or is it Labour-Liberal? I never know which “L” comes first. All I know is it is a double “L”. I would say to the—

Mr. McClellan: Liberal anti-labour.

Mr. Speaker: Order.

Hon. Mr. Davis: The member is being provocative, Mr. Speaker.

In terms of the long-term economic prospects, I am quite optimistic. In terms of some industries and the assessment of productivity, I am not going to try to debate those here in the House. Some of those reports come from the Organization for Economic Co-operation and Development and others, and when productivity is measured there is a great concentration on wage levels. In fairness, and I have no hesitation in saying this, productivity does not include wage levels alone.

There are many other aspects to productivity: the upgrading of technology within some of our industries; the tax regimes have some impact; and in many industries in this province, for example, the steel industry, we are really quite competitive. We should be a little hesitant in just assuming some of these reports are totally accurate. In terms of the labour force of this province, I think it is competitive in the quality of work and the dedication to its activity.

It is important to point out that the government has taken certain initiatives in the technology fields. In microelectronics one can look with some measure of confidence and enthusiasm at the figures being mentioned. The potential employment in the Ottawa Valley, for instance, is extremely encouraging.

I cannot say to the member just when all of these jobs will come on stream. I was in Ottawa at the opening of that centre, along with two or three of his colleagues—and I was delighted to see them there; they rushed down to have their pictures taken, even the member for Ottawa

East (Mr. Roy) who sort of wanted to get right in front of the camera—and they too shared that degree of enthusiasm, as did the member for Ottawa Centre (Mr. Cassidy), who was not far behind.

10:50 a.m.

In terms of the auto sector, I am not going to say we are going to reach the figures of some periods in the 1970s, but a few days ago, in Detroit, I had discussions with the multinationals in the parts sector. They are not saying we are going to reach the same levels necessarily, but they are optimistic in terms of a total North American production. That represents about 24 per cent of the economy of this province.

In terms of the capacity we have internally within Ontario, with the college system, with our high school system, to adjust our educational programs or have training programs, I say very objectively, I do not think there is a jurisdiction in North American that is in a better position, with the physical facilities and the people, to accommodate what the changes will be.

Mr. Swart: Time.

Mr. McClellan: Time.

Hon. Mr. Davis: Time? I would say in a very simple sense, I really am quite optimistic in the long term.

Mr. T. P. Reid: I think there is a delay-of-game penalty here, Mr. Speaker.

In any case, we all share the Premier's optimism, but I think we would like to see something a little more specific in terms of what our prospects and goals should be.

In that light, would the Premier consider establishing some kind of body parallel to the one that has been set up in Ottawa? I suggest perhaps a select committee of all members of the Legislature to consider the long-term economic prospects of Ontario, perhaps in conjunction with the federal study so the future may be a little clearer and therefore we may all be able to share a little easier the Premier's optimism.

Hon. Mr. Davis: I am delighted to have the member really support my optimism. I appreciate that. I would have been very surprised if he had not of course.

Mr. Riddell: The measure of productivity leaves some question.

Hon. Mr. Davis: The member is the first one—

Mr. Speaker: Never mind the interjections please.

Hon. Mr. Davis: Speaking of productivity, the member would agree with me that in the agricultural sector we are very productive, are we not?

Mr. Riddell: Too productive.

Hon. Mr. Davis: You see, I knew it, too productive.

Mr. Riddell: I was talking about the productivity of this place.

Hon. Mr. Davis: There it is. We should send those figures over to the Organization for Economic Co-operation and Development to tell them in fact we are too productive.

Mr. Speaker: I may have to consider a delay-of-game penalty.

Hon. Mr. Davis: Yes, but on them this time, Mr. Speaker.

If the member would go back to some of the thoughts expressed by Ontario at the Premier's meeting in Halifax where it was suggested that such a group—we really did not suggest a royal commission, but we did suggest that some type of group be established that would be representative of the total community in Canada.

I think it is fair to state that we see this mechanism as being a constructive step. I cannot tell the member whether or not the royal commission can in fact resolve some of these questions, but I do think it provides an opportunity. I really question, and I am not being negative about this, the advisability of having, say, a parallel group operating here within Ontario.

Quite obviously, when the royal commission deals with the manufacturing sector, a good part of its focus will be on Ontario and Quebec. That does not minimize the manufacturing sector in the other provinces, but those are the two provinces where most of it is at least located.

On the question of a select committee, I am not sure. I will give this some consideration. I guess I often go back to the views of the member's own colleague, the member for Brant-Oxford-Norfolk (Mr. Nixon), who has always sort of planted in my mind a doubt as to the real productivity of a select committee. I very often listen to his words of advice.

Mr. Cassidy: Mr. Speaker, in view of the very obvious productivity of the select committee on economic and cultural nationalism, which was looking at a number of these questions a decade ago in the early 1970s, will the Premier not consider that since a committee like that was extremely productive 10 years ago, a select committee on the economic future of Ontario

could be equally productive now and could help this Legislature to focus on the very real economic problems of Ontario?

Hon. Mr. Davis: Mr. Speaker, I actually have more enthusiasm than sometimes is expressed from across the House with respect to the role of a select committee. I would only say to the honourable member as well, that in part of this assessment one would have to anticipate that such a select committee would be pretty objective and nonpartisan in its approach.

I know the member for Ottawa Centre would give me the undertaking that there would be no sort of philosophical points of view expressed, and that the assessment would be totally objective, focused and constructive in nature. The only problem is that while he would give me that undertaking I am not sure, human nature being what it is, that it would necessarily be fulfilled.

Ms. Bryden: After that long exchange with the Premier I hope I can get a shorter and more productive answer from the Minister of Community and Social Services on my question.

SHELTER ALLOWANCES

Ms. Bryden: Mr. Speaker, I would like to ask the Minister of Community and Social Services, in light of the recent reports that in 1983 the three interval houses in Metro Toronto are facing substantial deficits if they do not receive increased funding and may have to close their doors, if he will indicate if he is planning any sort of additional provincial funding this fall to these very essential shelters for battered women so that they can cover their operating costs this winter and do necessary maintenance work on the houses?

Hon. Mr. Drea: Mr. Speaker, we are taking a look at that. I am not going to do anything province-wide this fall but we will certainly look at those particular operations. It would be awfully nice if the member would point out that some of the rates were raised already.

Ms. Bryden: Is the minister aware that the standing committee on social development, which held two weeks of public hearings on the subject of battered wives last July, received many reports that the present system of per diem grants shared by the province and municipalities is totally inadequate to meet the needs of the victims of family violence, and that most shelters have to devote an inordinate amount of time to fund-raising as a result? Therefore, will he consider a system of provincial block grants, not only to maintain existing interval houses but

to encourage the establishment of women's shelters and services for battered wives in areas of the province not served with such facilities?

Hon. Mr. Drea: With all due respect, I do not think the honourable member knows what she is talking about. Indeed, I would think that she would be very wary of the province going into direct block funding and removing the municipal component. I would humbly suggest that she ponder that over the weekend.

We are doing two things. First, we want to look at averaging payments so that it is not confined to the occupancy of the individual bed. Second, some weeks ago a directive went out to every municipal social assistance operation in the province, particularly to the very small ones, asking that we be informed in writing of exactly what provisions those municipalities were making for women and children in that particular type of situation.

We were not suggesting that very small townships have to build interval houses. What we wanted to know was what arrangements they have when somebody comes to them in that particular situation, especially what arrangements they have when somebody comes to them in that situation at about 10 or 11 o'clock at night, which is when it happens. Therefore, I think, in some fairness to the ministry, we have been moving ahead on some of these matters.

One last comment to the member, who does not really appear to grasp all of this, although I know her heart is in the right place: because of the present financing of such interval houses or transition houses—I am talking about the initial capital and so forth—is coming by way of Canada Mortgage and Housing Corp. via write-downs of mortgages, etc.

While it is one thing to suggest there might be some adjustments in funding to allow such houses to purchase services and to do some other things, I do not think it would be very wise to tamper with the concept of the capital coming out of social capital provided by the government of Canada, which provides a very orderly writedown of mortgage that can be assumed in a per diem over a period of time.

11 a.m.

DISPOSAL OF NUCLEAR WASTES

Mr. Kerrio: Mr. Speaker, I have a question of the Minister of the Environment. I rose in my place the other day on a matter of personal privilege to see whether I could get an answer from him as to the status of the enlarging of the ordnance site for nuclear waste disposal in the

lower Niagara River. I waited three or four days for the minister to answer, but he did not seem to be interested in responding. It would appear this matter has been off and on again three or four times.

There has been some considerable amount of liquid waste dumped from that site into the lower Niagara River without permission, and there seems to be a great deal of activity in that ordnance site, which contains the waste from the nuclear bombs that were dropped on Japan. I wonder whether the minister has a good grip on that situation and whether he is going to rely on citizens' groups to protect the environment of our side of the river or whether he will get involved to the degree he should and know what is going on in that lower river.

Does he know, and will he encourage his ministry to find out, what is going on in the United States of America in that ordnance site?

Hon. Mr. Norton: Mr. Speaker, my failure to respond to the point of personal privilege the other day related more to the fact that the Speaker found that it was not a point of personal privilege, and therefore I did not have an opportunity to respond at the time. He said I would respond at an appropriate time. I suppose now is an appropriate time since the honourable member has raised it as a question.

But I also did not like to point out to the member that his concern about what I had said earlier arose out of his failure to understand what it was I had said. If the member will recall, I was responding earlier to a press account of a report prepared by consultants about that site. I responded in the House with the best information I had. There was some lack of understanding the first time, but I subsequently completed that information with more accurate and complete updating as to the status of that report.

If the member will also recall, there was an indication at that time that the American authorities had made a commitment to keep us informed as the report progressed, assuring us that there had been no decision taken with respect to the future of that site. I think the appropriate time for any response from Ontario will be when there is a report that has been accepted or when some decision is about to be taken. In the meantime, I am sure we will be kept informed.

I am aware also that the government of Canada is watching the situation with great interest. In fact, my federal counterpart, the Honourable John Roberts, has commented publicly about his concern with respect to that site.

Mr. McClellan: Boring.

Hon. Mr. Norton: Listen, I cannot help it. I mean—

Mr. McClellan: Speed it up. Put some zip in it.

Hon. Mr. Norton: On Friday morning? If the member asks boring questions, then he is going to get boring answers; I am sorry. But as far as I am aware, that is the status of the matter at the moment.

Mr. Kerrio: On a point of personal privilege, Mr. Speaker: I resent the remark that this was a boring question. I have to tell the minister that the Niagara River did not get polluted over these past 40 years because—

Mr. Speaker: Order. That really is not a point of privilege and it does not require a response.

Mr. Kerrio: He suggested it was a boring question. It was a boring answer; it was not a boring question.

Mr. Speaker: The member for Niagara Falls has a supplementary?

Mr. Kerrio: Yes, I do. A very important part of the question had to do with the dumping in the lower Niagara River of some 700,000 gallons of liquid waste from that same site. I am suggesting to the minister that he does not know what is going on in that army ordnance site in the lower Niagara River—

Mr. Speaker: Question, please.

Mr. Kerrio: I am asking him whether he is not going to take much more action. Is he is not going to look into the clean water agreement between these two great countries of ours and see whether the Americans are abusing that agreement? Is he going to get together with his federal counterpart, who says he has not talked to him on this issue, and do something to protect our environment?

Mr. Bradley: Yes or no.

Mr. Eakins: Grab the ball and run with it.

Mr. Kerrio: That's right.

Hon. Mr. Norton: I can assure the member that there will be no stone unturned and no drop ignored.

I also want to make it clear that my reference to the boring question did not relate to the member's attempts to encompass some substance in it. It was not in reference to the substance. It was in reference to the fact that it is the same question he asked a couple of months ago—

Mr. Kerrio: Address yourself to this question.

Mr. Speaker: Order.

Hon. Mr. Norton: His question also related to matters that had been discussed fully in the House previously.

CLOSURE OF AUDIO LIBRARY

Mr. Allen: Mr. Speaker, I have a question for the Minister of Citizenship and Culture. Is the minister aware that in the past week or two the workers and clients of the audio library for visually handicapped post-secondary students have received notice that the facility is closing and they cannot expect its services beyond the end of April? Her ministry has had that facility under study at various times, once in 1981 and again currently. Will the minister tell us what proposals will be forthcoming from the current study, and when we can expect some assurance that facility, which alone can handle the needs of post-secondary visually handicapped students, will continue on an adequate basis?

Hon. Mr. McCaffrey: Mr. Speaker, with respect, I think the member was addressing the Provincial Secretary for Social Development.

Mr. Allen: I am sorry, Mr. Speaker. I meant the Provincial Secretary for Social Development.

Hon. Mrs. Birch: Mr. Speaker, that whole issue is going to be discussed at the next policy field meeting, at which time we hope to have an answer for those interested in that service.

11:10 a.m.

PETITION

MUNICIPALITY OF METROPOLITAN TORONTO AMENDMENT BILL

Mr. Grande: Mr. Speaker, I have a petition from 19 teachers of Cedar Drive Junior Public School in Scarborough opposing Bill 127.

I also have a petition from 81 citizens which reads:

"We, the undersigned, have read the brief presented to the committee on general government by the Committee of Concerned Citizens in East York and we heartily endorse the brief and earnestly request the Minister of Education to (1) upwardly revise the provincial grants to education to the level to which Premier Davis as Minister of Education committed the province, namely, to 60 per cent of the cost of education, (2) continue the present voluntary system of joint bargaining between boards and their respective teachers, (3) leave the local levy as it stands, and (4) rescind Bill 127 as it relates to the above."

I have a petition by 1,117 Peel elementary teachers registering their opposition to Bill 127.

The following is a letter from the Peel Educators' Association of Brampton. It is sent by the president, J. A. Cruickshank. It says:

"The petition is signed by 1,117 Peel elementary teachers registering their opposition to Bill 127. The teachers are seriously concerned about the loss of local autonomy which will result in the passage of this bill. They also object to the special negotiations procedures which will be implemented by this legislation. Once again, I would point out that the Peel elementary teachers find this proposed legislation objectionable and suggest that it should be withdrawn immediately."

MOTION

SUPPLEMENTARY ESTIMATES

Hon. Mr. Wells moved that the supplementary estimates tabled today be referred to the following committees for consideration within the hours already allocated to those ministries:

Agriculture and Food, and Treasury and Economics to the committee of supply; Attorney General to the standing committee on administration of justice; Consumer and Commercial Relations, Office of the Ombudsman and Office of the Assembly to the standing committee on general government; and Health to the standing committee on social development.

Motion agreed to.

INTRODUCTION OF BILLS

ASSESSMENT AMENDMENT ACT

Mr. Ashe moved, seconded by Mr. McCague, first reading of Bill 188, An Act to amend the Assessment Act.

Motion agreed to.

Hon. Mr. Ashe: Mr. Speaker, this bill has three main purposes: (1) to strengthen the section 86 reassessment program by providing for new pipeline rates when a municipality is reassessed and, by clarifying the basis of comparison for assessments under appeal, to ensure that the comparison is only to similar properties within the same property class; (2) to provide for the return of assessment rolls for municipal taxation at present levels of assessment except where market-value-based assessment has been introduced; and (3) to further clarify and update certain operating provisions within the Assessment Act.

I am pleased to report that more than half of all municipalities in Ontario now have been reassessed on a market value basis. Approxi-

mately 70 more municipalities are considering implementation of the section 86 reassessment program for 1983 taxation. Given this progress, this bill will allow us to continue with a strengthened section 86 program in those areas that choose to proceed with a market-value-based reassessment.

VITAL STATISTICS AMENDMENT ACT

Mr. Cassidy moved, seconded by Mr. Renwick, first reading of Bill 189, An Act to amend the Vital Statistics Act.

Motion agreed to.

Mr. Cassidy: Mr. Speaker, I prepared this bill this morning in the light of the press reports of the Supreme Court of Ontario decision yesterday in the case of Cynthia Callard, a former Ottawa woman, and her efforts to name her son after her own surname rather than the surname of her husband, from whom she is separated, or the father of the child, with whom she does not have a relationship now.

There is an obvious injustice in the law in the case of a woman who, for all practical purposes, is single now but cannot be treated as such because she is separated from her husband. If she is separated and not divorced and if her child is fathered by another man, the current law says she can give her child the name of the father, the name of the husband or a joint name incorporating her name and the name of either the father or the husband, but she does not have the privilege a single woman would have of giving the child her own surname.

I think it is fairly clear that this was an oversight in the law. It should be corrected. I would like to see young James Callard able legally to have his mother's name and to have his birth registered by Christmas, since he is three years old already.

BUSINESS OF THE HOUSE

Hon. Mr. Wells: Mr. Speaker, before the orders of the day, with consent yesterday we left the statement of business for next week, which I would now like to give to the House.

Today we are beginning consideration of the estimates of the Ministry of Agriculture and Food in committee of supply.

On Monday, November 29, in the afternoon, we will deal with the no-confidence motion of the official opposition standing in the name of the member for Rainy River (Mr. T. P. Reid). In the evening, we will resume consideration of the estimates of the Ministry of Agriculture and Food in committee of supply.

On Tuesday, November 30, in the afternoon and evening, the House will consider Bill 179 in committee of the whole.

On Wednesday, December 1, in the morning, the usual three committees may meet: general government, justice and resources development.

On Thursday, December 2, in the afternoon, there will be private members' ballot items standing in the names of the member for Hamilton East (Mr. Mackenzie) and the member of Chatham-Kent (Mr. Watson). In the evening, we will continue with Bill 179 in committee of the whole House.

On Friday, December 3, the House will further consider the estimates of the Ministry of Agriculture and Food in committee of supply.

I also wish to indicate to the House that we will begin sitting on Wednesday afternoons, from two o'clock until six o'clock, on December 8.

ANSWERS TO QUESTIONS ON NOTICE PAPER

Hon. Mr. Wells: Mr. Speaker, I am tabling the answers to questions 310, 311, 487, 548, 651 and 658 to 665, inclusive, all standing on the Notice Paper [see appendix, page 5538].

ORDERS OF THE DAY

House in committee of supply.

ESTIMATES, MINISTRY OF AGRICULTURE AND FOOD

Hon. Mr. Timbrell: Mr. Chairman, I am pleased to lead off the estimates of the Ministry of Agriculture and Food for the fiscal year 1982-83.

I must say I had hoped we would be able to do this in committee, where the atmosphere perhaps would be a little less formal, a little more relaxed, and we could have a better interplay and exchange of ideas and concerns. But I understand the problems of the House leaders in ordering the business of the House and the committees; so, for the first time in my experience at least, we will be doing them here in the chamber.

11:20 a.m.

I understand that some members wanted to get away earlier today, and I thank them for agreeing to stay. It was suggested, if they want to take an hour off my estimates, I could move adjournment around 12 and they could get on to some other commitments they had in mind but—

Mr. Riddell: We are going to hang on every precious word.

Hon. Mr. Timbrell: I am sure the member will. He may hang on other things, one never knows.

The Deputy Chairman: I would be pleased to accommodate that as well, if there is any way.

Hon. Mr. Timbrell: I think not, Mr. Chairman.

I would like to examine the estimates of my ministry in the context of this fast-moving and dramatically shifting world which often finds agriculture and food issues at its centre stage.

I will take the first few minutes to review a number of developments that are taking place globally and will have major effects on world export markets and trade in agricultural products. I do so as our farmers are part of, and are certainly affected by, such global issues.

North American farmers have harvested bumper crops this year. These high yields, combined with a generally depressed world economy, have created poor prices this year and will likely do so next year, or so we are told.

Canadian farmers are being prevented from realizing market opportunities because of uncertainty on the part of western world banks with regard to the extending of export credit. Much of this uncertainty has been created by the prevailing economic situation which has reduced the export earnings of many countries obtained from traditional sources such as oil and mineral products.

For instance, the main stumbling block to extensive exports of North American grain is a shortage of readily available financing. This lack of financing has created an apparent glut of grain on the world markets when, in fact, there is no surplus. In fact, there is a strong demand from both the Comecon countries and many developing nations, but they simply lack the necessary buying power.

These and other factors have substantial impact on agriculture in this nation and, because of the importance of that sector on the fact and fabric of our national economy, it has effects on our national lifestyle. When we talk of agriculture, we are talking about 10 or 15 per cent of our gross national product, 250,000 jobs in the processing of food, another 250,000 jobs in transportation and distribution, 600,000 and more at the retail level, as well as our thousands and thousands of farmers. In all, 18 per cent of the Canadian labour force is employed in the agrifood system. Agriculture accounts for more than 10 per cent of our national exports.

There are various proposals for changes in the system to meet, among other problems, the challenges we face on the international front. For instance, there is Canagrex, the federal government's proposal now in the final stages of legislative approval in the House of Commons. This proposal has created much controversy and has drawn a barrage of opposition.

The federal Minister of Agriculture, my friend Mr. Whelan, has said he hopes Canagrex can be useful in providing export credit, promotion, market intelligence, joint ventures, government-to-government sales and other benefits. He has said we need a central body like Canagrex to help develop our agrifood export potential. He also claims to have identified markets for about \$500 million in potential export sales that could be made with help from an agency like Canagrex.

In Switzerland, current discussions are taking place concerning the General Agreement on Tariffs and Trade. If the honourable members had a chance to read the *Globe and Mail* this morning, I am sure they would have been interested in the article on page B3 of the Report on Business regarding the discussions in Geneva, the difficulties of those discussions and the concerns some have about the common agricultural policy of the European Economic Community.

The United States is particularly concerned with the large amounts of subsidization the ECC provides to its agricultural exports to alleviate the huge surpluses occurring because of its agricultural support policies.

If I may digress from my text for a second, as part of a trade mission to England and Europe for a week in June, I took the opportunity to meet with officials of the EEC in Brussels who are responsible for the administration of the common agricultural policy and all its regulations. They are themselves very concerned because the CAP now accounts for about 75 per cent of the expenditures of the European economic community. The agricultural agreements were among the first and they are the most lasting and most thorough of the agreements reached among the signatories of the Treaty of Rome, which founded the EEC in the late 1950s. They are concerned for other reasons than those which are concerning the United States, and us for that matter.

If some of these issues are not resolved, there is a distinct possibility, as has been alluded to in this morning's paper and recently in other media, that a major trade war could commence,

with increased tariffs that could have an overall negative impact on world trade.

There are also discussions among major farm and political leaders in the United States and Canada centring on the possible formation of a cartel involving the wheat exporting countries. These talks grow out of worry about huge grain surpluses in the United States and the cost of subsidies.

As a quid pro quo to continued high input levels of Japanese manufactured goods, the United States is pressing very hard to open up the Japanese domestic market for agricultural products and thus create, at least from their perspective, a more balanced trade position. Canada and Ontario should clearly support this position and seek the same reciprocal export opportunity.

Before I leave the matter of Japan, I should tell honourable members that in about five weeks' time, at the request of the Ontario Pork Producers' Marketing Board, I will be leading a trade mission to Tokyo for four or five days to attempt to capitalize with them on the Japanese market for pork, of which Canada is currently the second largest supplier. That market would seem to have some significant opportunities for us, particularly because of the difficulties experienced this year by their major supplier, Denmark. We will attempt to capitalize on that opportunity and to expand that market for us.

On the domestic front, there are a number of significant national issues that are key concerns for Ontario. Among these are the national agreements for chickens, eggs and turkeys and the issue of overbase quota allocations and future growth. Ontario's position, which I will detail more fully later, is simple. We fully support—and I underline that—national marketing agreements and merely want a fair share of the overbase quota established on a rational, definitive and defensible basis.

The Crow rate transportation proposals now are under consideration in Ottawa. The final settlement of this issue could have great meaning for the future development of the Canadian beef industry and has special meaning for Ontario, which again I will mention later.

There are confrontations between producers and provinces and between provinces and the federal government involving the supply management system and other issues. In British Columbia, for instance—and I regret seeing this—dairymen seem determined to pull out of the national supply management system for milk, and that could affect the entire structure.

Manitoba poultry producers complain about the illegal importation of chickens from eastern Canada. We have yet to see a red meat strategy come from the federal government as promised for the spring, for the summer, for the fall and now, maybe, some time in December. We are seeing lower commodity prices and financial instability that has affected many farmers.

It is important to recognize that each of these events and conditions on the national and international levels has its own influence on the future development of the agricultural industry in Canada and in Ontario. Export markets, of course, are vital to the continued growth of this industry. At the same time, competition with other nations, such as those of the EEC, must be on a fair basis and must not become a series of wrestling matches between national treasuries.

It is against this backdrop that our farmers, processors and others in the food chain enter 1983. Overall, the outlook cannot be too optimistic. Commodity prices are likely to continue to be weak, and many issues cannot be resolved over the short term. However, in the longer term I feel we have reason for optimism. Our farmers are world-efficient and the demand for food products is increasing, not diminishing. We are in a position to capitalize on this fast-moving and changing world once the global situation improves, as it will inevitably.

11:30 a.m.

I would like to move now to a closer look at my ministry's position in the agricultural and food industry and at the respected position which our farmers and processors occupy in provincial, national and international esteem.

The Ministry of Agriculture and Food provides a broad range of services to all sectors of the food chain, from the agricultural producer to the processor, to the retailer and to the consumer. As the oldest ministry in the provincial government—ours was the first ministry, established in 1868—it has a long and proud tradition of directing the bulk of its services and energy at the primary producers.

In the past several years, and particularly today, the Ministry of Agriculture and Food is expanding and improving the level of service directed at processors, retailers and consumers. This is in recognition of agriculture in Ontario being not only a fundamental industry of the province but a modern, ever-changing business. It needs co-operation and co-ordination in all of its sectors for it to evolve and to succeed.

You will find in the estimates a continuation of the high level of services offered to the

primary producer, the farmer. You will find new incentives directed to help the producer in a number of areas, including the most pressing at this time, the financial area. There is no slackening of our determination to create and to preserve a bright, stable future for these vital, resourceful citizens of our province.

New incentives I announced as late as this week include an extension of the Ontario farm adjustment assistance program for a second year and implementation of a two-stage restructuring of the farm tax reduction program. You will also find enunciated in new programs and initiatives our determination to create a processing, retailing and delivery system capable of using to the full all the bounty our province can offer to our own citizens, to the people of Canada and to a world that requires our production and our expertise in this field.

The ministry's overall strategy contains a two-pronged approach for the expansion of the markets available to our farmers, processors and sellers. On one hand, we are doing all we can to promote the sale of Ontario produce outside of Ontario. This program is meeting with great success, as will be shown in later remarks.

On the other hand, we are directing great effort and a substantial amount of funding to the replacement of imported food and agricultural products with home-grown and home-processed produce. Again in this area, our efforts and the co-operation we see across the whole system are paying off with very rewarding dividends. The potential in this area is tremendous.

Before I detail our efforts in these and other programs, it would be instructive to look at what we already have in this fertile and energetic province. This province is the key food producing and food processing province in the Dominion. Last year, Ontario provided about 27 per cent of the Canadian total in farm-gate sales. Our output was worth almost \$5 billion.

In the last year for which figures are available, 1980, total factory shipments of the food and beverage industry in Ontario amounted to about \$10 billion. That was close to 50 per cent of the Canadian total. When you consider all aspects of the agriculture and food industry, it comprises almost 20 per cent of Ontario's gross domestic product. This does not include other incidentals such as fuel, transportation and even farm machinery. So obviously, if you put everything in, it is even more than that.

An industry of this size means jobs. Ontario farms employ directly about 100,000 farmers

and farm family members. They also employ about 50,000 paid workers. The food, beverage and leather manufacturing industry directly employs about 114,000 workers. When you add all these you have a total well above 260,000 people. Again, if you add jobs dependent on these supply sectors, you can estimate that one in five jobs in Ontario can be attributed to the agrifood system.

It is certainly worthy of mention that this sector of production has been making a unique contribution to the battle against inflation for some time. In 1960, the proportion of disposable income spent on food in Canada was 21.6 per cent. At the moment it is 17.7 per cent. The only figures in the world that are lower than that are in the USA.

According to figures from the United States Department of Agriculture, in 1980, a citizen of Ottawa, Ontario, would have worked 8.5 hours to purchase a grocery basket of 21 common foods. That was the same as in Washington, DC. It would have taken a person in Stockholm in that same year 13.5 hours; an Italian, 15.5 hours; a resident of Tokyo, 26 hours; and a Dane in Copenhagen, 10 hours of work to purchase exactly the same food basket. There is no city or jurisdiction that had lower costs than we had. Those figures cast some light on the contribution of our farmers and our processors. It is because of the efficiency of our agricultural sector that Canadians spend so relatively little of their disposable income on food.

Of course, market forces play a large part in keeping prices down but over the long term it has been the Canadian and the Ontario farmer's energy and initiative that has given us the best and nearly the least expensive food in the world.

Twenty-five years ago, each Ontario farmer produced enough food to feed 30 people. Today, the average Ontario farmer produces enough to feed at least 90 people.

Ontario's 82,448 farms represent 26 per cent of all farmers in Canada, and Ontario farmers produce far more than their share of agricultural goods. For example, Ontario leads Canada in the production of poultry, eggs, lamb, fruits, flowers and nursery plants, vegetables, nearly all of the tobacco and corn, and all of the soybeans.

Ontario is a close second to that great cattle country, Alberta, in finishing beef for market. Ontario is the largest producer of milk for fluid purposes in Canada and our milk is the best in the world. We are second in hog production.

We grow about 40 per cent of all the fruit in Canada.

It is an expensive business to remain number one. In 1981, our farmers spent over \$3.5 billion in operating their farms. Farming is a high-risk, capital-intensive business. It is also a highly competitive business on a world scale and an industry in which research and development changes are coming into being as fast as in any industry except perhaps the frenetic world of computers.

It is the responsibility of the Ministry of Agriculture and Food to help maintain the viability of farming in Ontario, to expand research and development in league with the farmer and the processor, to support all forms of market expansion and to advise and support the Canadian and the Ontario consumer. It is a responsibility we take very seriously and one we are carrying out extremely well because of the willingness of the entire industry to work together. To carry out our duties, we have a budget of \$283.7 million for the fiscal year 1982-83.

I became Minister of Agriculture and Food in February of this year. On March 16, I announced a major reorganization of my ministry. That restructuring was put into place at the beginning of this fiscal year, on April 1, 1982.

The reorganization makes the ministry more responsive to the needs of our client groups and streamlines various functions so that we can be better placed to meet the many challenges I know the future will bring. I said in my announcement at that time, "The changes will create a forward-looking organization with a strong planning component, a more effective management system and an efficient grouping of programs and resources."

The reorganization will strengthen the planning, decision-making and service capacities of the ministry. I regard this as the most important change since it is absolutely critical for us to have more resources to devote to the long-range consideration. It is also crucial to set coherent strategies for the industry so that competitive opportunities can be made the most of and so that competition can be met as, when and where it emerges.

11:40 a.m.

We must have co-ordinated, well-planned provincial strategies covering the whole chain of efforts from producer onward. Complementing this activity, we are expanding the research and development activity in the ministry and stimulating R and D in the private sector through dollar-matching projects. Another impor-

tant area is financial planning and we are placing greater emphasis here. We are addressing broad concerns such as income stabilization. In addition, we are improving delivery of financial management counselling to individual farmers through county agricultural representatives and farm management consultants. We are encouraging private sector capital investment in the food industry by creating a receptive climate and sound strategies.

I am particularly sensitive to what might be described as the dichotomy between urban and rural societies. In an effort to enable one side to know the other side better, I am having my ministry promote the shared interests of the rural producer and the urban consumer. As part of our reorganization, therefore, I am pursuing a more aggressive marketing program stressing this mutual interest. We are expanding the Foodland Ontario program as a result of our restructuring. It will continue to ensure Ontario products are first in the minds of Ontario consumers. Our aim is to reduce Ontario's large trade deficit in food products.

To promote expanded investment and increased value-added to the products that leave the farm gate, we have established a food processing branch. We are ensuring that the quality assurance programs of the ministry, in livestock, dairy and fruit and vegetable inspection, are linked and enhanced. Food-land preservation and improvement require special attention. Ontario has more than 11 million acres in crops and pastures and we must make certain this vital resource is kept intact. We also have the potential to increase this acreage, partly by opening farming opportunities in the north which could add fully 30 per cent to our agricultural land bank.

To support our farmers in general, the ministry's technical advisory services in fields such as soil management, pest management and animal health are being enriched. This expansion includes the necessary backup laboratory testing and analysis services. In detail, the new structure forms the ministry into three new functional groups. Each group is headed by an assistant deputy minister. Six new divisions were created, each headed by an executive director. The changes realign many operating branches and create some new branches.

There is now an assistant deputy minister over a functional group concentrating on marketing and development. This group contains three divisions of marketing, quality and standards, and food-land preservation and improve-

ment. A second functional group has been set up for technology and field services. It contains two divisions of education and research, and advisory and technical services.

Mr. Nixon: What page are you on?

Hon. Mr. Timbrell: Sixteen.

Mr. Nixon: That is 16 out of 83.

Hon. Mr. Timbrell: I am reading slowly.

Mr. Ruston: The Provincial Secretary for Social Development should listen to this.

Hon. Mrs. Birch: Pardon?

Mr. Ruston: She should relieve him once in a while. She might improve it. She is from Lincoln.

Hon. Mr. Timbrell: Listen, the Provincial Secretary for Social Development knows quite a bit about the fruit and vegetable industry, particularly the vegetable industry, in that great part of the province. She could quite capably handle that.

The third assistant deputy minister, that is, the assistant deputy minister of finance and policy, is responsible for four branches, including insurance and stabilization, farm assistance programs, economics and strategic planning. In addition, reporting to the deputy minister directly are the administrative division, legal services, office services, audit functions and our communications branch.

The purpose behind this reorganization is to deliver services in more efficient, effective ways. Living up to that objective, I am happy to say this restructuring process itself is being carried out in a careful, gradual manner without an expansion of my ministry. It is being accomplished within the limitations of our current staffing and financial constraints. That is to say, we have done all this restructuring and regrouping without adding staff and without increasing our budget for staff.

Mr. Riddell: On a point of order, Mr. Chairman: It is important to note that the New Democratic Party critic is not here to listen to the opening statement of the Minister of Agriculture and Food. I find that somewhat odd.

The Deputy Chairman: Some day we are going to find out what points of order are. That is not a point of order, but you wanted to get it on the record and you have accomplished that. The minister may continue.

Hon. Mr. Timbrell: It is an interesting point at least, Mr. Chairman.

Financial support for producers: The past several years have faced both the ministry and the farmers with financial problems, the likes of

which have not been experienced at least since the Depression. The ministry has responded to these downturns brought on by the poor world economy with a series of programs and initiatives to assist the farmer with both direct aid and expertise.

Perhaps the most important initiative on which we embarked was our campaign to bring about a national stabilization program. Such a program has been talked about for many years and, in fact, attempted with less than satisfactory results. Now, though, is the time to make this program a reality that can provide a sound and predictable future for our farmers across this whole country.

As the members will know, I went to a meeting of federal and provincial agriculture ministers in Halifax, in July of this year, to offer a concrete proposal for a national agricultural stabilization plan. At that same meeting, our colleague the federal Minister of Agriculture indicated he would bring forward a red meat strategy by the summer of 1982. Our proposal was based on fact and history. The federal government did establish an income-stabilization program in 1958. Even with revisions since then, this program does not satisfy the requirements of both the provinces and the producers.

At the moment, the provinces have a mixture of provincial stabilization programs and ad hoc support programs. These create a balkanization of our agricultural sector with various levels of support and with competition between producers and provinces—in fact, between provincial Treasurers.

These problems have been acknowledged by the provinces. In November—just three weeks ago—in Regina, with only Newfoundland absent because of a special fall session of their House of Assembly, the provinces agreed to a national stabilization plan as needed today. They made that observation in the light of the inadequacies of existing programs and in the light of the delay of the federal government in bringing forward its red meat strategy, or any other plan for that matter, to give farmers a clear idea of what the future holds.

The Regina conference decided that red meats should be placed under a voluntary producer plan without the supply management element. This plan can also be extended to any farm products not under supply management, which remains a viable system for those who want it, those who choose it. A committee can easily be formed to discuss issues such as cost of production, price variations and regional dif-

ferences. With co-operation, we can see implementation of this national income stabilization plan in 1983.

The objectives of my proposal are to provide long-term income stability for agricultural producers, permit producers in each province to compete on an equal footing, minimize expensive ad hoc support programs by provinces, create national stabilization price levels, establish coverage limits and set entry and exit provisions.

All these goals are aimed at creating stop-loss support which will allow market forces to operate and avoid overproduction. The objectives of the program are, I believe, undeniably beneficial to both the producers and the consumers of this land. It is worth noting at this point that a national income stabilization program for the agricultural sector need not cost the federal government any additional money, since it is already paying a minimum of 90 per cent on named commodities in the Agricultural Stabilization Act.

Ontario has taken other steps on its own to bring about more stability in various sectors of farming. The ministry this year reintroduced income stabilization for Ontario growers of corn, winter wheat, soybeans and white beans. This program was first introduced three years ago and had a high rate of participation. This is a no-lose proposition for the farmer as his premiums are returned with interest at the end of the program. If a payout occurs during the life of the program, the government matches the farmer's premium on a two-to-one basis.

Barley was added to the program this year because it is becoming an important cash crop in the province. It has a relatively low input cost coupled with reasonably high yields. Barley is also more important because we are concerned with promoting more crop rotation to reduce soil erosion and to help control various insects, plant diseases and weeds. In this vein, I might add that we are looking into the possibility of developing a hay marketing agency which would help farmers find a market for hay grown as a soil improvement crop as well as a cash crop.

11:50 a.m.

Despite our various programs aimed at smoothing out some of the worst swings of this highly unpredictable industry, the world economy has dealt some farmers blows from which they cannot recover without a special assistance drive. In March of this year, my ministry announced new and expanded criteria for the then very new Ontario farm adjustment assis-

tance program, our key program for aiding farmers beset by the most serious of today's financial squeezes.

The new criteria made this program available to more farmers. It was first announced in December 1981 and provided \$60 million to help Ontario farmers deal with interest rates. The changes that were adopted in March were: the value of production in 1981 which farmers had to have to qualify for assistance was reduced from \$25,000 to \$12,000; and the remaining equity in the farm must not be less than 10 per cent but the upper limit was raised to not more than 60 per cent from the former limit of 50 per cent. The changes are benefiting small farmers, particularly in the northern and eastern parts of the province.

I must again give credit to several of the members on this side—the member for Algoma-Manitoulin (Mr. Lane), the member for Wellington-Dufferin-Peel (Mr. J. M. Johnson), the member for Hastings-Peterborough (Mr. Pollock)—and others who approached me shortly after I became minister to suggest a number of these changes so they would be more beneficial to the smaller farm operations in the east and the north.

There is a third program criterion which remains unchanged. A farmer's interest and principal payments on outstanding debt for farming purposes must exceed 20 per cent of farm operating costs. This farm adjustment assistance program is meant to complement the federal government's small business bond and Farm Credit Corp. special assistance programs. I have asked the federal agriculture minister to allocate additional funds for the FCC program and to extend it through this fiscal year.

The Ontario program, which actually became operational on January 4, 1982, is aimed at farmers in need of financial restructuring, reorganization and consolidation and who can benefit from such help to become financially viable. It offers farm business management counselling in addition to direct financial assistance in the form of bridge financing. It has proven to be very successful. So much so, in fact, that in my policy address this week to the Ontario Federation of Agriculture, I announced that OFAAP would be extended for another year.

The Ministry of Agriculture and Food, of course, has a variety of programs delivering grants and support payments to producers and agricultural and horticultural societies and agencies. These programs range from grants paid in lieu of taxes on institutional properties to pay-

ments made to several thousand farmers under the sow weaner stabilization plan. These amounts will be detailed in our supporting documents. I will speak more about programs which have undergone significant changes or which, in fact, have been initiated for this fiscal year.

Under the category of plans which offer protection to producers, I point to the new Ontario beef cattle financial protection program. This program came into effect on September 1, 1982. My ministry made an initial grant of \$25,000, which is the maximum allowed for in the legislation, to the fund which forms the heart of the program.

This program requires licensing of cattle dealers, including packing plants, slaughterhouse operators, country dealers, community sales operators and commission agents. We expect about 550 of these dealers to be licensed within the calendar year. To date, we have more than 480.

The program is designed to ensure protection to producers of slaughter and feeder cattle. It came about after the bankruptcy of one major dealer, with subsequent losses to farmers who had delivered cattle for sale. It was not only the result of one episode, however. There had been a string of bankruptcies in the recent past that made it appropriate to implement this program at this time.

It includes four elements: licensing, to which I have already referred; proof of financial responsibility of cattle dealers; prompt payment within 48 hours of sale; and an industry-financed fund to compensate sellers in the event of defaults. This fund is administered by a 10-member livestock financial protections board with George McLaughlin of Beaverton, who I know is well-known to members on all sides of the House, as its founding chairman. Sellers dealing with unlicensed dealers are not protected on their transactions.

Under this program, all beef cattle buyers are to be licensed. The parties to all sales of beef cattle are each required to pay 20 cents a head into a compensation fund. Current legislation empowers the ministry to make a \$250,000 interest-free loan and to guarantee further loans from financial institutions of up to \$1 million to cover any deficit in the fund. In the case of a default on payment by a licensed dealer, the fund will compensate the producer for 90 per cent of the amount owing.

Our crop insurance program has been invaluable and available since 1966. It is an item of importance that is becoming more popular

among our farmers, as having a good crop each year is even more critical. In this year, the crop insurance program has insurance liabilities of \$468 million. In August of this year an early frost, one of the earliest frosts in fact, hit the tobacco, peanut and other crops in Elgin, Norfolk and Kent counties. The loss to the tobacco crop primarily was covered by \$75 million of insurance payments. The peanut crop was 95 per cent covered by insurance. This frost damage shows how valuable crop insurance is to our producers.

A new program to upgrade farm property was unveiled in the May budget of the Treasurer (Mr. F. S. Miller). The program was called the Ontario farmstead improvement program and provided financial assistance to farmers to upgrade fences and outbuildings this year. Originally, this job creation program was intended to provide \$5 million to farmers for work completed this year. Initial response was overwhelming in that it generated \$12 million in notices of intent by farmers planning to improve their properties. We intend to honour all notices received by our July 30 deadline, provided the eligible work is completed before the end of this calendar year.

Our funds cover grants of 50 per cent of the cost of eligible improvements to a maximum of \$2,000 per farming operation. Eligibility for assistance was a value of production on the farm of at least \$12,000 or those who own and farm a minimum of 40 hectares. All improvements made to a list of items have to be carried out by local contractors or by labour hired by the farmer using materials bought before the end of calendar year 1982.

Recently the ministry has found another way to help the farmer help himself. The vacation farm, long known to tourists in Europe, is now an established business in Ontario and is providing some farmers with a welcome new source of income. If my memory serves me correctly, the member for Wellington-Dufferin-Peel had a resolution here in the spring of this year urging more support for this concept and for the fledgling association—

Mr. Nixon: Could we go to his place to stay for the weekend?

Hon. Mr. Timbrell: I am sure for a reasonable fee he would gladly receive the member, maybe for longer.

My ministry is supporting the Ontario Vacation Farm Association with a five-year financial assistance program. This arose out of a meeting I had with the ladies who form the executive of

this group about six months ago. This year, 1982-83, is the first year of this support and we are providing a \$14,100 grant. Grants over the five years will support this association until it builds up its own resources. The grants are set up on a sliding scale linked to the revenue derived from the association's membership fees.

In addition to financial help, my ministry is also providing personnel to act as advisers, as well as publishing a brochure listing the vacation farms. I am sure all the members saw that brochure, and I hope they ensured it was widely distributed in their areas. I am particularly happy to see this kind of enterprise growing in our province because it promotes a better understanding of agriculture among urban people. So far the Ontario Vacation Farm Association has more than doubled its members from 1981. It sets guidelines for member farms and ensures high standards of accommodation.

Any discussion of finances in this province inevitably comes around to a discussion of restraint, at least whenever the government is involved. My interest in the government's inflation restraint program is as it relates, or, more accurately, as it does not relate to agriculture. While the Inflation Restraint Board limits increases in various government controlled and regulated prices and costs, it does not extend to producer prices in the agricultural community or even to commodity prices controlled by the marketing boards.

12 noon

Restraints on producer prices are not considered necessary for various reasons: controls on producer prices might not affect retail prices to the same degree; input prices such as energy are not controlled and to put controls on producers' prices would result in unfair financial strain for those producers; net farm incomes have been declining this year and may continue on the same trend next year; the wage component of the agricultural sector is small, unlike sectors such as the health field where that component can range up to 80 per cent of total costs, and, therefore, restraints on wages in the agricultural sector would not balance losses in price restraints.

Mr. Nixon: How are you going to keep the prices from falling?

Hon. Mr. Timbrell: My friend, I think you are back to what I just said about stabilization. That is exactly the point of what we are trying to do with respect to a better national income stabilization program. I say it in the kindest, least partisan way I can. We need your help over

there to talk to certain people in another capital city to make sure something happens and happens soon.

Mr. Nixon: Get out one of the water bombers and we will all go down there.

Hon. Mr. Timbrell: If we are short of water, can we drop you?

Mr. Nixon: That is not my specialty.

Hon. Mr. Timbrell: That is not your specialty.

Controls, if applied, would affect primarily the supply-managed commodities and it is in this area, comprising one third of Ontario's agricultural products, that price increases over the past year have been particularly modest. In fact, there were price declines in 1982 in chickens, eggs and turkeys.

Most supply-managed products are sold only in the domestic market. As I have said, price increases here have been very modest. Tobacco is sold on the world market and price restraints on this crop would be all but impossible to apply.

I would like to point to the price of fluid milk as an excellent example of the way our producers have shown responsible and level-headed behaviour in the past year. The price increases negotiated by the Ontario Milk Marketing Board, applied on October 18, 1982, were only 5.97 per cent or 2.62 cents per litre. The board used an updated formula base reflecting current production costs to arrive at that price, but kept the returns to producers in line with the federal government's guidelines of six and five per cent.

Of course, our proposed program of restraint was not in place at that time but the board chairman, Ken McKinnon, said at the time of the increase, "The board supports the federal government in its efforts to battle inflation. . ."

Milk producers have shown admirable responsibility in spite of the cost increase they themselves face from other sources in the economy which are beyond their control. For instance, in the past year, feed costs have risen by six per cent, energy and equipment maintenance by 16 per cent, and overall cash input costs have risen by a potential of nine per cent since the last price increase in November 1981.

I think the response of our farmers to our restraint programs and to the public at large in these harsh times has been an example of a sector that cares for its customers and its image. I believe the financial assistance we offer our producers in agriculture will be repaid many fold.

As I mentioned earlier, Ontario's farmers

have more than 11 million acres of land under cultivation or in use as pasture land. Nine million of those acres are planted in crops. That acreage has been growing steadily and is at an all-time high today.

One of the fundamental duties of my ministry is to protect that land base, not only to see that it remains as farm land wherever possible and feasible, but is used in the best and most productive ways. We do that by providing the farmer with a variety of programs that educate him, encourage him and present him with incentives to upgrade his land.

On Tuesday, I announced a major program that will offer our farmers some relief from property taxation. The Ontario farm tax reduction program will entitle farmers to receive tax rebates worth \$63 million from the provincial government in this year. Looking at the details, we see that at present farm land, buildings and residences are assessed together and rebates are paid equal to 50 per cent of total farm taxes.

Beginning with the 1984 taxation year, farm tax rebates will cover the entire property taxes on farm land and farm buildings, 100 per cent of taxes on these productive assets. I should point out that rebates are used in the program rather than exemptions because the province does not wish to interfere with the authority of a given municipality to raise taxes. Under the rebate system, the municipality retains its taxing powers and the rebate is made by the province directly to the farmer.

Farm residences, on the other hand, will no longer qualify for a tax reduction under this program. They will be treated for tax purposes in the same way as other residences in a municipality. That is to say, like any other resident in the municipality, those residents will be able to apply for farm tax credit along with their annual income tax return.

One acre surrounding a farm house will be considered a residential site except in cases where a smaller or a larger area is actually used for residential purposes. While the residence will be assessed at the same rates as all other residences in that municipality, the lot on which it sits will be assessed at 50 per cent of the value of similar properties in that municipality.

To implement these measures, the Ministry of Revenue will soon be reassessing farm properties across the province. This process will separate the assessment for farm residences and residential lots from that for farm land and outbuildings. This new tax structure will provide a stronger incentive for production by

concentrating tax relief on productive farm assets as opposed to residences.

The second aspect of the tax package will be implemented immediately. I will mention the cost of that later.

The qualifying gross production value will be raised to \$8,000 for the 1982 and 1983 taxation years. In 1984, the level will be \$8,000 for northern and eastern Ontario and \$12,000 for the rest of the province. I want to emphasize and underline that these are gross, not net production values. Applications for the 1982 tax rebates are in the mail now.

The new qualifying requirements are reasonable, when it is remembered that a farmer could reach the \$12,000 level by having six cows producing for the fluid milk market—these are current figures—or by selling 12 slaughter cattle or by harvesting 46 acres of corn or seven acres of processing tomatoes.

In addition, any farmers who feel they have been unfairly denied rebates can take their cases to the farm tax appeal board which will be established to settle disputes regarding production criteria. This board will include representatives from the rural community. Assessment issues will continue to be the responsibility of the Ministry of Revenue.

The overall impact of the entire package will be that substantially more government funds will be channelled into agriculture through the rebate system. In the 1984 tax year, based on our preliminary forecasts, that transfer will account for \$20 million more, compared with the current system, bringing the total cost of the rebate program to over \$85 million. In fact, the transfer is more than \$20 million.

This year we are looking at \$63 million; for 1984-85, it is more than a one-third increase. As a result, we anticipate that the great majority of full-time farmers will pay lower net taxes. Higher taxes will result for only a few farmers in the program, generally speaking those having high residential assessments with small land bases and few buildings.

The great majority of full-time farmers will have their tax load reduced, releasing more funds for production. The new system will establish a progressive farm tax environment which compares very favourably with that of other jurisdictions and reinforces the financial underpinning for family farm enterprises across Ontario.

I want to stay on the subject of farm land itself for a moment and talk about soil management. It is a crucial aspect of any farm and it is an area

in which there are many services offered to the farmer by a number of sources. Involved as well as my ministry are the ministries of Natural Resources, the Environment and Energy, other provincial agencies, other levels of government and community organizations.

Prior to October of this year, my ministry supported soil management through advisory services provided by our soil and crop specialists and our county agricultural representatives. Financial assistance was offered, and of course still is, through the farm productivity incentive program and grants to local branches of the Ontario Soil and Crop Improvement Association.

What we have been lacking, however, was co-ordination of the many initiatives and the many groups involved so that we could manage agricultural soils in the most effective way possible. In October, the plant industry branch of my ministry was reorganized to do this job. The new branch is divided into the following program areas: crop advisory services, soil and energy management, pest management, climatology and plant industry services.

The crop advisory services program amalgamates the field crop, horticulture and tobacco section of the former soils and crops branch. This restructured branch is assuming a leadership role in co-ordinating and facilitating soil management activities across the province.

12:10 p.m.

The branch is compiling an inventory of recent and upcoming soil management programs, projects and initiatives. It is assembling special teams to handle specific soil conservation projects or problems. These include experts from all relevant fields drawn from both within and outside my ministry.

The branch is strengthening the soil classification program of the Ontario Institute of Pedology which includes staff of Agriculture Canada and of the University of Guelph as well as from my ministry. The branch is creating a data base for improved programming.

Estimates of potential for soil erosion and resulting financial loss are being developed by an interministerial committee. Soil surveys and other crop data are being used by the agricultural component of this project to determine potential losses as accurately as possible on a county-by-county basis. This survey should then highlight problem areas for necessary follow-up action. I know this is a matter of keen interest to the member for Kent-Elgin (Mr. McGuigan) and we have discussed it several times.

Complementary to our compilation of these

surveys and other data is a joint federal-provincial program that began in July. This is a project to develop an agricultural resource inventory for Ontario and it will cover agricultural land use and farm land tile drainage.

Work on this survey was started in July 1982 and will be finished next spring, creating about 175 jobs. Ontario's portion of the total budget of \$1.4 million will be up to \$700,000 and is being provided by the Board of Industrial Leadership and Development. I think you have heard of BILD from time to time. The results of this survey will be made available to any agency concerned with agricultural land use.

The information for the land-use survey has been collected by ground-based workers using aerial photographs as references to locate and to note crops and other agricultural land uses. Tile drainage data are being gathered by personal interviews with farmers.

The Minister of Labour (Mr. Ramsay) is to be congratulated for initiating negotiations on this project through his ministry's Ontario Manpower Commission. I might add this joint venture with the federal government is being done under the terms of, I think it is section 38 of the Unemployment Insurance Act, which allows them to pay a certain portion of the cost. The sponsoring agency, in this case the government of Ontario, will pay the balance and take people off the unemployment roles. It is a very worthwhile federal-provincial co-operative venture.

I have mentioned our tile drainage program and that certainly is one of the most important and most appreciated programs in my ministry. I am happy to say our support for enhancing the land base in this way has been stepped up this year.

Effective drainage can extend the growing season by three to six weeks and can effectively improve growing conditions. Tiled land can see increases in yields of from 15 to 80 per cent, depending on the crop. For example, tile drainage can increase winter wheat yields by as much as 45 per cent, I am told.

About 3,500 farmers are helped each year by our program administered through local municipalities which install or upgrade tile drainage. This work is carried out on about 200,000 acres of land each year. This assistance takes the form of 10-year, 10 per cent loans covering 60 per cent of project costs.

In May, the Treasurer announced in his budget an expansion of the funds available for tile drainage by \$6 million to a level of \$36

million. These funds have been allocated among the municipalities across the province.

Our program for 1982-83 also includes criteria to make it more consistent and fair. For example, the maximum loan will be 60 per cent of the cost of the work or the amount requested, whichever is the lesser. Individual municipalities may choose a lower loan rate, but it must apply uniformly to all applicants in that municipality.

Members will know that when I came to look at the program in the spring I found that in previous years there had been a wide divergence in the way municipalities were dealing with this. I found some municipalities were lending as little as 30 and 35 per cent of the costs of projects. Others, but very few, were up towards the legislated limit of 75 per cent. So in order to attempt to achieve uniformity and equity right across the province, we have recommended 60 per cent. Admittedly, some municipalities are still lending a lower percentage of the work costs, but very few compared to earlier years.

The maximum loan to an individual farmer is \$60,000 on an accumulated basis on borrowings after April 1, 1980, and \$20,000 in any one fiscal year. The allocation this year was the highest ever. The additional funds were reserved for allocation to the areas where the need was greatest, in particular eastern and northern Ontario.

Another program goes hand in glove with our tile drainage effort. It subsidizes municipal construction and maintenance of drain outlets. I announced on May 18, 1982, that we would increase our budget for this program by \$1 million over 1981 for a total of \$7.5 million. Our priorities within this program have changed and we now put more emphasis on maintenance, which preserves the value of our capital investment. This year, spending on maintenance will be \$2 million, or four times the amount of last year. Not only do we want to see our existing farm land improved and maintained, we want our agricultural land base to grow. We have an excellent opportunity to see that happen in the future of northern Ontario.

In January 1981, the Premier (Mr. Davis) released Ontario's blueprint for economic development, known as Building Ontario in the 1980s. That report contained a government commitment to increase agricultural production in the north. Northern Ontario has three million acres of potential crop land. This represents a poten-

tial 30 per cent expansion of the food land now in use in this province.

The climate of northern Ontario is as good as or better than that of the prosperous park belt, as some call it, of western Canada for growing canola, oats, barley and forage. In fact, in 1982, the Quaker Oats Co. had a major campaign to purchase the bulk of its rolled oats requirements from Ontario. In the past, apparently, it bought large quantities from out west.

In speaking to Mr. Grant, the president of Quaker Oats, about a month ago, he assured me that not only was the program successful in terms of the amount the company was able to buy in Ontario—it originally looked at buying 1.2 million bushels, but it now looks as if it will end up with about two million bushels—but the best yield in terms of quality came from the Timiskaming clay belt in northern Ontario.

Clearing methods, tile drainage and the evolution of superior crop varieties have been developed and demonstrated. All that remains is to apply that technology to the north.

The phasing out of the Crow's Nest Pass freight rates, which subsidize the transport of western grain, would give Ontario producers an advantage in selling this new resource because we are closer to the European market. Cattle could be finished in the north, instead of them being shipped south for that purpose.

From what I have seen in the north, we already have there a core of energetic, willing farmers with resourcefulness. We want to support that willingness with technology and encouragement. My ministry is now formulating an action plan for the development of northern agriculture. Our strategy will identify growth opportunities, set priorities and chart a clear path for northern expansion. It will be a long-term strategy requiring the continuing commitment of both the Ontario and the federal governments and the producers.

We will not be building from scratch, however. We do have a foundation on which to add. The Ontario and the federal governments are sharing the costs of the five-year, \$4.7-million northern Ontario rural development agreement. There have been 800 northern Ontario farmers participating in projects under NORDA since the agreement was signed in March 1981. A total of \$1.3 million was granted to clear 18,000 acres of land in the north. Another \$1 million was devoted to tile drainage projects covering 17,000 acres. Forty-two farmers have received help to demonstrate new technology there.

Our northern Ontario agricultural resource

centre at New Liskeard College is fulfilling its mandate to gather and distribute practical knowledge about northern farming. I might add that, during my short time as minister, we have opened several new facilities at New Liskeard and have approved several more to proceed, to make it a more complete resource for the farmers of northern Ontario.

12:20 p.m.

A ministry co-ordinated program is under way to enhance the northern agricultural base to improve farming practices and long-term development projects on individual farms. A total of \$600,000 will be allocated for these projects by 11 local committees in the north composed of producers and government representatives working under the northern Ontario agricultural development policy.

The veterinary assistance program provides annual lump sum grants of \$12,000 to vets practising in designated areas. Our aim is to ensure that producers in less populous regions have access to the same level of veterinary service as those in the rest of the province. This subsidy is paid to 27 veterinarians in 10 designated areas.

We are currently reviewing this program after public meetings were held to discuss it. A report on the program suggests abolishing the lump sum grant and instead paying veterinarians a fee per kilometre for the distance between their offices and the farm gate. This would tie the amount of the subsidy directly to the number of calls made and to the time spent in travel.

I want to emphasize this is not government policy. It is a proposal that was made in a paper produced at our request; it is currently in circulation throughout northern Ontario. We are getting regular feedback from farmers, veterinarians, local councils and others in that area.

We also have two special programs to help northern cattle producers to enhance the quality of their herds. First, the ministry offers rebates of 20 per cent of the purchase price of breeding stock that meets performance standards, and we pay 50 per cent of transportation costs for eligible breeding stock purchased in another district of Ontario or one third of costs if purchased in western Canada or Quebec.

This assistance is to bring the delivered price paid by northern farmers into line with that of the south. Of course, northern farmers have full access to the many other support programs of my ministry and have been taking full advantage of them.

There is one issue which has not as yet become very important to the whole picture. My ministry is moving at this time, however, to make certain this issue is kept in check. I speak of the ownership of farm land by nonresidents.

To address this concern, the government has enacted legislation or, more accurately, the Legislature has enacted legislation proposed by the government, to monitor the extent of foreign interests in Ontario land holdings, the Nonresident Agricultural Land Interests Registration Act.

I have an interim report on registrations filed under the act which indicates the status of nonresident interests as of March 31, 1982, or the end of the 1981-82 fiscal year. The report shows that since the effective date of the act, December 1, 1980, just two years ago, 994 registrations have been filed covering a total of 142,947 acres. In the six months following the completion of that report, a further 83 registrations were recorded covering a further 8,759 acres.

These figures add up to one per cent of Ontario farm land which is now owned by foreign interests. That figure should give no cause for alarm. However, we are giving this matter closer examination through my ministry's food land preservation branch which is strengthening its surveillance activities.

We believe there are some properties which should be registered but are not. We will use existing staff inspectors who will be appointed under the act to survey and make certain all foreign land interests are registered.

Interjection.

Hon. Mr. Timbrell: Different people. You do not think we should take unemployed people off the unemployment insurance rolls? They are the ones who were doing that work.

Mr. McKessock: It was kind of a useless job.

Hon. Mr. Timbrell: You do not think it is important to know where all the tile drainage is and how the land is being used?

In addition, my colleague the Minister of Revenue (Mr. Ashe) will move to close certain loopholes in the Land Transfer Tax Act used by some nonresidents to avoid paying the 20 per cent tax.

During the course of the estimates, the interim report of registrations on the Nonresident Agricultural Land Interests Registration Act will be made available to you.

In concluding this section regarding our pro-

grams to preserve our farm land, I would like to take a last look at the successes of the past.

The recently released Statistics Canada census of agriculture for 1981 shows the total value of Ontario agricultural products sold more than tripled during the decade 1971 to 1981. They rose from \$1.4 billion to \$4.9 billion.

At the heart of that growth was the improvement of land. Crop land, not including pastures, expanded by more than one million acres, reaching a post-war high of more than nine million acres, as I stated earlier. Based on that expansion, our exports last year were up by 20 per cent from 1980, reaching a level of \$1.6 billion.

We have no more valuable resource in this province than the productive land base which is the foundation of this \$10-billion industry. We are determined to conserve and to enhance our land resources.

Specific issues and advances: I would like now to turn to some specific actions we are taking with regard to particular crops or commodities. Although there are advances, and actions are being made and taken in virtually all specific areas touched upon by my ministry, these serve as examples of the major activities being undertaken this year.

First, I would like to turn to a contentious area, that of the so-called "feather crops" of chickens, turkeys and eggs. Ontario producers of these three commodities have not been allocated their fair share of production even though they are the most efficient producers in this country. I want to see this situation rectified.

Chicken production is big business in this province. In many ways it is also a stable and prosperous business. Total farm-gate sales of chicken reached almost \$200 million last year, representing fully four per cent of total agricultural sales. At the retail level, that sales figure is almost \$400 million. These Ontario figures add up to one third of the national totals of \$600 million at the farm gate and \$1.2 billion in retail sales.

The demand for chicken is growing. It has increased from 31 pounds per capita 10 years ago to 39 pounds today. That is more than a 25 per cent increase.

Ontario's 700 chicken producers are well protected by the supply management system. As I said at the beginning, we fully support national marketing agreements but we emphatically want our fair share of the overbase quota on an equitable basis.

However, questions arise about the system

when you look at the United States. There, where there is a totally free market in chicken, the wholesale price is \$1.32 per kilogram while the Canadian price is \$2.04. Our per-capita consumption of chicken lags behind the level in the United States by close to 50 pounds.

Clearly, someone is more aggressive in marketing, more progressive in technology and more innovative. Ontario can do better in this market because it is the lowest-cost producer in this country. This province is also the largest consumer of chicken. Economic logic dictates that Ontario's chicken industry should expand. The benefits are obvious to both producers and consumers. Yet, since the national marketing framework was established in 1979, our growth has been close to zero. This compares with three per cent gains in previous years.

Ontario suffers from an unreasonably low quota allocation for chicken production. We reject the national agency's current approach to the allocation of overbase quota. With 35.4 per cent of Canada's population, Ontario has been allocated only 34.3 per cent of chicken production. Quebec, with 26.4 per cent of the population, has 33.2 per cent of quota. Ontario's production costs are lower than Quebec's: \$1.02 per kilogram for live broilers compared with \$1.12.

We are forced to import supplies from outside the province because our own producers are prevented from meeting our demand. That is uneconomic and it is a penalty to the consumer. Our egg producers and turkey producers are also being denied growth opportunities in spite of the fact that they have a significant cost advantage over their competition in other provinces.

The Canadian Egg Marketing Agency also has created problems and has halted further growth by adopting a new formula for allocating overbase quota which exceeds the base shares established when the plan was created. This new arrangement discriminates against the lower-cost producers in central Canada—in this case, in favour of the west.

Voting procedures at the egg marketing agency are loaded against the larger producing provinces. We may very well have to insist on a form of weighted voting which would reflect the relative economic stakes of the participants. These 1983 quota allocations should be deferred until this entire situation has been discussed by the federal, the provincial and the producer signatories to the plans.

A similar situation applies when we speak of

turkey producers, and there are similar complaints. We are determined to free these poultry agencies from self-interest and from parochial thinking. To accomplish this, I have called for a meeting of all of the signatories to the national marketing plans in eggs, chickens and turkeys as a first step in overhauling the administration of these agencies. We simply have to meet and find ways of protecting the legitimate interests of our producers and of the Canadian consumers.

12:30 p.m.

When I had an opportunity to meet with the federal minister for breakfast on Wednesday morning, this was one of the issues I raised with him. He assured me that he has referred this issue to the National Farm Products Marketing Council and is awaiting its advice. Whatever that advice, I hope the minister will see fit to proceed to call a signatories' meeting.

I move on to speak of the Ontario Milk Marketing Board and our work in improving the quality of Ontario milk and dairy herds. The board buys milk from our 11,491 producers and sells it to the buyers. Through this board, we have avoided the milk surpluses which plague the EEC and the United States.

Among the many things this board, composed of dairy farmers, has done recently is to switch from two standards of milk quality to a single grade A standard. This single standard, supported by my ministry's extensive testing of all milk in Ontario, not only guarantees high quality—in fact, the highest in the world—it also saves money by making transportation more efficient and by saving energy.

This year, the ministry laboratory at Guelph began monthly testing of all producers' composite milk samples on an electronic somatic cell counting instrument to provide information to farmers on the incidence and level of mastitis in their herds. This somatic cell counting is another in a long line of technological improvements in laboratory testing programs to give Ontario produce the highest standard and the most trusted ranking there is.

We help to improve the quality of dairy herds through the dairy herd improvement program, funded with more than \$2 million each year. This program uses the most up-to-date technology to aid farmers to improve their breeding. Suffice it to say that this program works extremely well and has seen milk production rise steadily in the more than 30 years it has been in place.

My ministry has equivalent programs for beef cattle. This year, as examples of advances in this area, I opened beef bull performance testing

facilities at the Arkell research station, near Guelph, and the New Liskeard College of Agricultural Technology. There are now four stations operated by provincial agricultural colleges, plus the 12 private testing stations the ministry has contracts with. These stations provide Ontario farmers with more facilities and test more bulls than in any other province. We have also broken ground on a new bull performance testing facility at Kemptville College, and I expect it will be ready for use in the spring.

In addition, we have moved this year to provide a more precise rating of the health status of Ontario swine. Recently, I announced a voluntary swine herd health policy. It is a program involving a four-level certification of swine herds which will establish recognized criteria for a herd's health status. Now a herd may be classified as basic, good, excellent or superior.

This program replaces the existing certified herd policy, which recognized only herds that had attained superior standards. It will help win international recognition for the excellent health status of our herds. The program calls for periodic inspections by my staff of swine herds enrolled in the plan and the circulation of monthly lists showing the ratings.

I might note as an aside that in Japan, Ontario pork carcasses are regarded as the leanest and the best. Since 1967, we have reduced back fat thickness by more than one third, and this new testing program should improve quality even more.

We believe excellent growth potential also exists in the sheep industry. At present, we have begun to implement a new three-year plan. In the first year, this plan focuses on organizing producers' groups, improving production techniques and developing quality standards. In year 2, we will move to aggressive marketing at the butcher shop level, produce education programs and research into the use of byproducts such as wool and hides. The final year will concentrate on consumer education as well as on marketing through retail stores, hotels and restaurants.

Moving to field crops, I point to a move to prepare for the growth of the tomato solids industry. Ontario last year restructured the compulsory tomato grading system. This new grading system is working well this year to allow the farmers to sell more of their underripe fruit and so increase their yield. It also allows processors to pay a lower price for tomatoes which are

in this less-than-ripe category and so to make better use of the crop as a whole.

We have also moved to fully support industry complaints against the dumping of canned tomatoes from other countries.

We are encouraging growers to make better use of mechanical harvesting and processors to focus more on productivity, by increasing the size of operations in some instances.

In June of this year, I announced a major new incentive to stimulate the province's processing strawberry industry. We have begun a \$1-million program to develop varieties of the berry, to improve growing and harvesting procedures and to expand the technology available to our growers.

Ontario produces more than \$10 million worth of strawberries, primarily for the fresh market, but we import \$6 million in processed and frozen strawberries. We are now aiming at replacing 90 per cent of the imported frozen berries with Ontario-grown and processed berries within the next decade.

This program is a co-operative venture involving growers, processors, machinery manufacturers, provincial researchers and federal agriculture staff. My ministry is funding just over half the cost, with the remainder coming from the federal government and the private sector.

In addition to improving the domestic situation for our own produce, this program has important export potential as well. Processing equipment, mechanical harvesters and the crop production system we are developing will make up a very interesting high-technology package for potential foreign buyers. We estimate the market for a berry mechanical harvester alone at 300 machines with a value of \$12 million.

Overall, we estimate Ontario producers are capable of replacing a third of the volume of current imports over a period of time. By 1990, our growers could increase their market share to cover 15 per cent to 20 per cent of those imports that are replaceable. Our work to improve the use of our own strawberries is just one example of the leadership role we are assuming in this area of import replacement.

My ministry and the government's Board of Industrial Leadership and Development have teamed up to provide the agricultural and food sector of this province with a storehouse of major incentives and encouragement.

In all, BILD has allocated \$58.25 million of its \$1.5-billion budget to agricultural development programs, and my ministry is providing another \$5 million, for a total in program funds of \$63.25

million over five years. These funds generate new jobs, they increase production and earnings and they are helping to make this province more agriculturally self-sufficient. That is something of a buzz phrase with us at the ministry. What it means is, we are trying to balance the trade books.

BILD has committed \$20 million over five years for the expansion of the food processing industry in Ontario. So far, \$12.5 million has been earmarked for 11 projects. These projects have a total capital investment of \$64 million, the balance obviously coming from the private sector.

Another \$20 million has been committed by BILD to the fresh fruit and vegetable storage assistance program over the next five years. This will increase the supply and improve the quality of Ontario produce over an extended market season.

To date, a total of 432 projects has been approved for grants totalling \$7.8 million on capital investments of \$23 million. Grants for 183 projects have been paid out to a total of \$2.8 million. Again, the private sector is putting a lot of money in with the government's incentive money.

BILD is assisting the milk industry to convert whey, a byproduct, into a usable commodity. BILD has allocated \$15 million over five years to this program, and several projects currently are being reviewed by an interministerial committee.

A majority share of the cost of \$3 million was provided by BILD for the expansion of the Ontario Food Terminal's farmers' market in Toronto. These expanded facilities will allow more of our farmers access to this very competitive market.

BILD has also committed \$1.25 million for the installation of high-technology equipment in Ontario's agricultural colleges. This equipment will facilitate the training of students in the use of these modern tools. To this time, \$71,866 has been spent to introduce computer systems at our colleges.

I have already mentioned the \$6 million provided by BILD for the tile drainage program. In addition, BILD has committed the initial \$5 million for our Ontario farmstead improvement program and has since provided an addition \$2 million because of the overwhelming response to the program.

12:40 p.m.

One major project is to increase the production and consumption of Ontario tomato paste.

Tomatoes are a major crop in Ontario, as I have noted. Ontario is also the largest consumer of tomato paste, but we import more than \$20 million of that product each year. Further, the demand for paste is rising by about 15 per cent or more every year because of the growth of the convenience food industry and the trend by consumers to eat out more often. The price of tomato paste, as well, continues to rise.

We want to reduce the importation of tomato paste and to increase the production of our own. To this end, we have forged a partnership with the private sector that may be ideal.

Earlier this month, I announced the award of a \$1.3-million grant from BILD to a major all-Canadian processing firm, Primo Foods Ltd. of Cottam, near Windsor. That grant will generate an estimated capital investment of \$6 million in new equipment and facilities to produce canned tomatoes, sauces and paste from Ontario-grown tomatoes.

This initiative is expected to help in replacing as much as \$19 million in sales of these products in five years. It has been estimated that 1,200 new contract acres will be needed to grow the tomatoes required. Potentially an additional 100 jobs will be created at the farm level. The expansion within Primo will entail about 25 full-time jobs in that plant and as many as 120 part-time jobs.

In March of this year, a \$3-million expansion grant was awarded by BILD to the H. J. Heinz Co. of Leamington. Potentially, Heinz will be able to replace 25 per cent of imported tomato paste with produce produced in Leamington.

Together, these two companies should account for \$30 million in replacement sales of imported tomato products in the near future.

There are many accounts of grants being made by BILD to worthwhile projects in the agricultural community. Among them is a \$90,000 loan to Picard Peanuts Ltd. of Windham Centre, near Simcoe. This loan will be used to expand Picard's drying and processing facilities to handle this developing crop.

I single out this loan, because it is going to help to create a new industry in Ontario. Certainly peanuts grown here can be a welcome import replacement product as well as an alternative crop offering farmers a higher return than peas and corn. Picard has a \$410,000 expansion under way with an eye to increasing its annual capabilities from 150 tons to 750 tons. I note that Ontario peanut crops began only two years ago with 165 acres; they may reach 650 acres this year, and that is just the beginning.

In addition to expanding the ability of producers and processors to serve the domestic market better, my ministry has set its sights on tapping as many foreign market opportunities as possible. We live in a time when the world is becoming more and more a single marketplace and it is imperative that our business men and women compete as fully as possible in the international arena.

Our efforts have been paying off. In the past five years, Ontario's food and agricultural producers have been finding and developing new markets abroad with the help of my ministry. Last year, for example, Ontario exports of food and agricultural products totalled \$1.6 billion, a 20 per cent increase from 1980. Our foreign trade has been expanding at that sort of rate since 1977 and, during these five years, sales have more than doubled. Foreign sales help to chip away at our food trade deficit, as do our import replacement programs.

There is a very large potential to increase our exports. Even the United States has not been fully explored. Last year, 44 per cent of Ontario food exports were for that market. However, that proportion was below the 56 per cent share going to the United States just five years ago. The reason for less trade with the United States is simple: we are trading more elsewhere. Our trade with the United Kingdom and Europe has been steady in the past five years, but there is real potential there which we are lately exploiting. Japanese exports have also remained steady while those to the Caribbean have risen sharply.

Our most striking gains to date have been in nontraditional markets, such as the Far East, Latin America and the Middle East. Ontario exports to these regions increased by four times between 1977 and 1981 from more than 10 per cent of our total exports to nearly 30 per cent last year.

My ministry acts as a catalyst to stimulate export activity by Ontario agribusiness. Our export market development program identifies opportunities, brings buyers and sellers together and provides support services. This program includes regular food sales missions to the United States, the Caribbean, the United Kingdom, Europe, the Middle East and the Far East. The program also includes welcoming incoming buyer missions, taking part in trade shows, providing export sales aids or helping to fund those aids, and provision of a sourcing directory and export showrooms.

The main part of this program is our export sales missions, and these have been making

rather spectacular headway this year. We hope to continue these successes for the rest of the year. The fall of the Canadian dollar has made our goods more competitive in the United States and has made it feasible for us to search out markets in more distant points in that country. My ministry has sponsored trade missions to Atlanta, Dallas and Los Angeles as well as to more customary locations.

As an example of the value of these missions, I point to the Los Angeles mission in June. Twelve Ontario food processing companies generated \$7 million in sales in just five days. Sales included cheddar cheese, wild rice, pasta products, table wines—I remind members that is the heart of the US wine country—McIntosh apples, butter tarts and beer. Relatively high energy costs in California have created an opening for Ontario floriculture products such as shrubs and evergreens. We want to build on our recent gains, particularly in the sunbelt states, where the US population growth has been greatest.

In the European market, where common market agricultural policies are highly protectionist, my ministry must be creative and learn ways to focus on products that have unique competitive advantages in the European context. For example, white beans have good growth potential. Last June, I launched a white bean initiative in London, England, to prepare the way for sales of this year's crop. That project included seminars for potential buyers and illustrates the educational component of our overseas sales program.

Other priority items for the European trade are canned and frozen sweet corn, tobacco, onions, apples and fancy meats. In Japan, we have been promoting Ontario pork, which already enjoys an excellent market there, and livestock exports. Since 1977, exports to the Far East have more than tripled and were \$57 million last year. Sales to Central and South America have quadrupled to \$76 million. Exports to the Middle East multiplied ninefold and last year totalled \$61 million.

The Middle East is a prime target for packaged, finished food products which have a high Canadian value-added content. Our first incursion into this market, through our export sales market development program, was a limited presence at a food show in Bahrain. This coming February, my ministry will intensify our effort with a larger display involving between seven and 10 companies at Saudi Food '83, the only food show in the highly prized Saudi

Arabian market. Our emphasis will be on finished food products. In April, we will also participate in a parallel show, known as Saudi Agriculture '83, where our focus will be on breeding stock, fertilizers and other Ontario commodities.

Our trade mission program provides each participating company with one return, economy-class airline ticket and air transportation for product samples. Our staff handles the logistics, arranges the itinerary and supports a sales effort in all ways.

Mr. McKessock: It takes five or six to do that.

Hon. Mr. Timbrell: Very frugal, I am sure my friend will admit.

Our staff also educates and advises companies on the opportunities presented overseas. Our specialists are well versed on customs regulations and other potential barriers to exporters. We also supply technical expertise when it is needed.

My ministry has an excellent working relationship with the Ministry of Industry and Trade, and that ministry's facilities abroad are available to food exporters. We have our own representative in Ontario House in London.

Our program covers incoming missions of foreign buyers, and we greet about 20 foreign companies a year. Last year these contacts led to estimated sales of more than \$10 million. We provide foreign companies with return air fare to visit Ontario and arrange meetings with our producers. My ministry also arranges participation in international trade shows. Last year, 30 companies were involved in shows in Japan, France and the Middle East.

Companies planning to produce export sales aids are eligible for ministry financial assistance for brochures, label redesigns, packing, product reformulations and related changes or additions. Our sourcing directory updates about 450 Ontario companies, marketing boards and trade associations.

Finally, we maintain an export showroom at Queen's Park and similar displays at Ontario House in London and in our Tokyo office.

I might surprise members when I say this entire program is delivered by a staff of six people. Needless to say, they are very hard working and very talented. They reap tremendous returns for the businesses and the economy and the farmers of this province.

12:50 p.m.

Mr. Riddell: On a point of order, Mr. Chairman: In view of the fact that the minister is not

going to complete his statement this morning and there is rather an important luncheon I am sure many of us would like to attend, I wonder whether the Chairman could possibly see one o'clock and whether the minister might consider adjourning the debate.

Hon. Mr. Timbrell: I am in the hands of the members. I had thought, Mr. Chairman, of asking if I could speak past one o'clock and finish my statement—

Mr. McGuigan: Sure. Go ahead.

Hon. Mr. Timbrell: We could get that finished, and the member for Huron-Middlesex (Mr. Riddell) could begin—

Mr. Chairman: I think we could accommodate the member for Huron-Middlesex if you want to finish.

Mr. Swart: Mr. Chairman, as a neutral arbitrator in this, I would be in favour of sitting to finish the minister's statement. It will take only an extra five or 10 minutes at the rate he has been going.

Hon. Mr. Timbrell: I am on page 70, Mr. Chairman. I have 83 pages; so I should be able to finish in the next 15 minutes.

Ontario's agricultural record has been an outstanding one because of the research and development that has produced new strains of crops, superior breeds of livestock and new technology to plant and to harvest our produce. My ministry ranks research and development as a high-priority area and has, at about \$30 million, the highest research budget of any provincial government in the country.

My ministry conducts research programs in agriculture, veterinary medicine and household science, or funds research projects in these areas. Our own research programs are carried out by ministry staff at Vineland, Simcoe, Bradford, Ridgeway, Kemptville, Winchester, Centralia, New Liskeard, the provincial pesticide residue testing laboratory and in our economics branch. Research stations of the government at Arkell, Cambridge, Elora, Guelph and Woodstock are managed by the University of Guelph under contract with the ministry. We also provide funds for energy-related projects.

The complete range of research carried on or supported by my ministry is detailed in the report of the Agricultural Research Institute of Ontario, 1982-83. However, I would like to provide a series of examples of our more notable research projects for this year.

First, the government is investing \$1.5 million in new fruit and vegetable research facilities to

help the producer become as self-sufficient as possible. We can look forward to a 40:1 return on research carried on by my ministry, as this investment should return substantial reward.

Initially, this year, the ministry will spend \$1.1 million to build a new research building at the Vineland horticultural research station to develop better ways to store Ontario-grown fresh fruit and vegetables. Much of this research will be into ultra-low oxygen storage techniques which have already been used to keep some produce fresh for more than a year. Success in this research could cut apple imports by \$6.5 million, or celery and pepper imports by about \$2 million each. Overall, this program should help us to replace \$200 million a year worth of fresh imported produce with our own produce, our own brands.

Our new facility will also have a section devoted to wine research, with the Wine Council of Ontario providing funds to equip a wine laboratory to the extent of \$25,000 a year for five years. This is another co-operative venture with the private sector.

The second program, which will account for \$400,000 of this \$1.5-million amount, is being financed by the Ministry of Energy. It will pay that sum for the construction of five new gutter-connected greenhouses which will allow researchers to test and develop new technology and better energy management in modern facilities. Ontario greenhouses produce more than \$130 million worth of flowers, fruit and vegetables a year.

Our research activities in field crops also have a foreign flavour. This year we have begun an arrangement between my ministry and the Ministry of Agriculture of New Zealand under which we shipped more than 2,000 breeding lines and advanced generation cultivars to that country. These included oats, barley, corn, peanuts, soybeans, canola and white beans. That seed was planted there with the intention of harvesting it next spring and returning it to Ontario for spring planting. Hence, we will get two crops per year, or two generations in terms of plant breeding.

It would take 10 to 12 years here to achieve a successful pure variety of seed. With two harvests per year, we can reduce our time by at least one third. We have used this international technique before, but never in New Zealand.

We are breeding white beans and soybeans for improved nodulation to increase the amounts of nitrogen in the soil and thus reduce the use of expensive chemical fertilizers.

We are exporting the development of an upright variety of white bean that can be harvested more easily by a once-over combine and can be planted closer together, increasing yields.

We are adapting early-maturing hybrid corn to match the shorter growing season in the north.

In another form of crop, we are attempting to use warm water from hydro stations to raise freshwater shrimp. Ontario consumers eat more than \$36 million of that delicacy in a year.

Yet another research initiative is being undertaken through a federal-provincial program aimed at wiping out pullorum disease and fowl typhoid in Ontario's poultry flocks by 1985.

Time after time, our research pays off as it did just a few weeks ago when the Horticultural Research Institute of Ontario officially released a new European blue plum variety to be grown in Ontario. This plum is known as Veeblue and was developed under the institute's plum breeding program through extensive testing in this province and abroad.

Part of the funding for agricultural research comes from the provincial lottery research awards program. This year, eight research grants worth a total of \$189,984 were awarded to investigate, among other things, bovine genital tract disease, developing oats with milling quality as a cash crop for Ontario, egg quality, salmonella in Ontario cheddar cheese and, again, early maturing corn hybrids.

Of course, researchers and the farm community in general are excited about the development of the government's \$14.5-million farm equipment and food processing technology centre in the Chatham area. This funding is a further commitment of the Board of Industrial Leadership and Development and the centre will develop state-of-the-art technology. The focus will be on the \$300 million worth of equipment and machinery Ontario farmers buy each year.

Education at all levels to all sectors has always been a major responsibility of my ministry. Through our five agricultural colleges and one university, various rural organizations, our 4-H programs and a number of other methods including participation in agricultural fairs, my ministry advances the study of agriculture, promotes the consumption of Ontario produce and bridges the gap between our rural and urban citizens.

A major program of education that serves all sectors of Ontario society is our Foodland

Ontario campaign. It was launched in the spring of 1977 in the speech from the throne. Foodland Ontario is a consumer-oriented program with the objective of increasing consumption of Ontario produce and agricultural products among citizens of this province. It was a response to the realization that Ontario had been suffering a large and growing deficiency in the balance of trade for food and farm products.

Since that time, recognition of the Foodland Ontario symbol has increased to 68 per cent of the public last year. Foodland Ontario provides the environment for the food show at the Royal Agricultural Winter Fair and takes part in it along with Ontario marketing boards and associations. The Royal is one of the major agricultural fairs in North America.

From time to time, we take part in other programs which highlight the contribution made by our farmers and agribusinesses, not only to our economy but to the world's food basket.

In October, we joined with the farm organizations and industry to promote Agri-Food Week. The week's activities draw attention to various aspects of the food chain: the producer, processor, distributor, retailer and consumer. The week stresses that our products have the highest quality in the world.

We also supported World Food Day on October 16. That day was established by the Food and Agriculture Organization of the United Nations to strengthen the commitment to the elimination of hunger. Canada is one of the major net food exporters in the world and we have a special duty to share our food resources and our technical knowledge.

To involve the farm community further in Agri-Food Week, my ministry co-operates with farmers wishing to open the gates to urban visitors. We want to give urban folk a better understanding of farming and what farmers really face.

The government's hand is very much a guiding influence in the education of agricultural students. Enrolment in diploma courses at the provincial colleges of agricultural technology and at the University of Guelph has risen substantially in the past few years. This trend indicates the increasing importance of a formal education for agriculturists to meet the challenges of the future.

1 p.m.

My ministry also plans to work closely with the Ministry of Education to modernize and expand the treatment of agriculture in the curriculum of both elementary and secondary

schools. To further this cause, I am committing my ministry to the expenditure of \$50,000 to develop resource packages for teachers towards sparking greater awareness and interest in agriculture among our students.

In January, school guidance counsellors meet, and we will enlist ministry staff to make a presentation to that meeting to inform them of the kinds of careers that can be found in Ontario agriculture.

Madam Chairman, I note that it is one o'clock. May I have the unanimous consent of the members present to complete my statement?

The Acting Chairman (Ms. Bryden): Does the House give unanimous consent to continue?

Agreed to.

Hon. Mr. Timbrell: Earlier, I talked of new bull performance testing facilities provided at the New Liskeard College of Agricultural Technology. I would like to add to that a new students' residence opened this year to accommodate 64 students. This college is a key factor in opening up the potential of northern Ontario. A dairy barn was also opened by me recently at that college. This is a \$106,890 project and, with the purchase of a herd and annual operating costs, our expenditures on this item this year will total nearly \$250,000.

Our major education, research and service budget of \$21,275,000 goes to the University of Guelph, Canada's leading agricultural college. That amount is more than 10 per cent above last year. That amount does not include an additional \$1.8 million for a new program to improve services at the farm animal hospital and to expand clinical training and veterinary medicine at the Ontario Veterinary College of the university and in private practices. The financing is part of a newly established farm animal health improvement program which will give financial support on an annual basis to the college for the enrichment of its educational program.

On October 22, I had the pleasure of officially opening the Alfred College of Agriculture and Food Technology in Alfred. This college serves Ontario's francophone students. It operates in co-operation with the University of Guelph as well to offer French-language correspondence courses in financial management for all interested francophone farmers.

The college has just begun a correspondence course in dairy cattle health and has plans for future correspondence courses in dairy cattle

nutrition, pork production, forage crop production and cash crop production.

The college also has a continuing education course in French on farm production machinery, welding and farm machinery maintenance. The college also intends to add French-language courses of a nonfarming nature to better serve the rural francophone community.

As a former teacher, I am particularly pleased at the work my ministry does with the young people of this province. We are proud of the great tradition of our 4-H programs, and we are adding to those programs.

This year we are introducing a new program to train rural youth in farm and home financial management. Organizers of 4-H clubs in each county will be encouraged to create senior level 4-H financial management clubs this winter.

My ministry is contributing \$2,000 towards the 1983 outstanding young farmer program of the Canadian Jaycees. This program is designed to recognize well-rounded individual farmers and to promote urban awareness of the achievements of our young farmers.

We are giving support and encouragement to the Junior Farmers' Association of Ontario. That association provided members to act as tour guides for 2,500 youngsters who recently visited the Royal Agricultural Winter Fair.

I might add, before I stray too far away from the reference to the 4-H financial management clubs, that we are going to reinforce that initiative by providing, starting in 1983, five annual scholarships for senior 4-H members to continue their education in farm and financial management.

We are also strengthening the leadership capability of rural organizations in general. We plan a series of regional workshops this winter for executives of 4-H clubs, Ontario Federation of Agriculture branches, women's institutes and other organizations. We expect 1,800 rural leaders to take part in two-day sessions.

In a major initiative aimed at improving life for rural and farm women, I have assigned a well-known and respected member of my ministry, Ms. Molly McGhee, the former director of the ministry's home economics branch, to carry out a three-year study. She will concentrate on the needs of the farm wife, who is often the mainstay of farm life. We want to help make women truly equal partners in farming.

She will also study and identify the pressures, problems and educational needs of consumers to see how the ministry can serve them better.

We want also to promote better understanding between the consumer and the producer.

From our new 24-hour-a-day report on Ontario fresh fruit and vegetable crops to the thousands of brochures, pamphlets, films, audio-visual aids and other print material produced by our communications branch, we are proud of the work my ministry does to keep farmers and others in the food chain informed about agriculture in all its aspects throughout Ontario.

The statistics service provided by our economics branch is without doubt one of the finest in North America. This year that service celebrated its 100th anniversary and recently released its centennial issue of agriculture statistics for Ontario. I think our agricultural community is one of the best informed in the world, and I intend to see it continues that way.

I now move to our last item, legislation. Because these bills and amendments have been discussed in the House, I will not go into great detail. However, I want to point out that many of the pieces of legislation that concern agricultural and food production in Ontario have the intention of providing support to various sectors of the community and of advancing their interests for the sake of improving production and our general food supply.

For instance, we have been dealing with the Farm Products Containers Act amendments. These amendments were requested by the Ontario Fruit and Vegetable Growers' Association, which acts as a voice for this industry. The amendments would make it easier for this association to collect a one per cent fee on the cost of containers used in Ontario to pack fresh fruit and vegetables. This fee covers the operating costs of that association. The Ontario Fruit and Vegetable Growers' Association is a worthy organization that represents a cornerstone of our industry. It has experienced financial difficulty because of problems in collection of this fee. This association must remain strong and these amendments will help it to remain so.

A bill to amend the Horticultural Societies Act permits the formation of new societies and incorporates all the societies in existence. This amendment was requested by the Ontario Horticultural Association. Bill 163 amends the Agricultural Societies Act and increases maximum government grants for cash prizes at exhibitions by \$500, from \$1,500 to \$2,000. This raises government expenditures under this program from \$300,000 to \$400,000, but in a good cause.

All that I have detailed today demonstrates

clearly that the Ministry of Agriculture and Food has a unique and close relationship with all sectors of our agriculture and food community in Ontario. It is a relationship that is to be prized, a relationship that is to be protected, because it is a relationship that serves all of us,

farmers, processors, distributors and consumers, extraordinarily well.

On motion by Hon. Mr. Timbrell, the committee of supply reported progress.

The House adjourned at 1:10 p.m.

APPENDIX

ANSWERS TO QUESTIONS ON NOTICE PAPER

ROYAL COMMISSIONS

310. Mr. Breithaupt: Would the Attorney General indicate how many royal commissions are at present being conducted in Ontario? How much has been spent on each royal commission so far? [Tabled September 29, 1982]

Hon. Mr. McMurtry: At the present time, the Ministry of the Attorney General is providing logistical and administrative support to four royal commissions. They are:

Royal Commission on the Northern Environment: July 13, 1977, to September 30, 1982; \$7,064,056.

Royal Commission on Asbestos: April 29, 1980, to September 30, 1982; \$989,860.

Royal Commission on Fire Safety in Highrise Buildings: June 30, 1982, to September 30, 1982; \$2,000.

Judicial Inquiry into the Care of Kim Anne Popen: February 28, 1978, to September 30, 1982; \$354,191.

311. Mr. Breithaupt: Would the Attorney General indicate how many royal commissions have been conducted in Ontario since 1970 and the cost associated with each royal commission? [Tabled September 29, 1982].

Hon. Mr. McMurtry: For the period April 1, 1969, to the current date, the Ministry of the Attorney General has provided logistical and administrative support to a total of 34 royal commissions. These are listed below together with the cost of each commission.

Atlantic Acceptance, \$1,207,113; Inquiry into the Means of Enforcement of Rights, Duties, Obligations and Liabilities of Employees and Employers, etc., \$141,201,13; Inquiry into the Behaviour or Misbehaviour of Magistrate Frederick J. Bannon and Judge W. Gardhouse and Provincial Judge Lucien Coe Kurata, \$18,281.70;

Use of Diazion—Toronto Islands, \$20,600; Pollution of Air, Soil and Water in the Townships of Dunn, Moulton and Sherbrooke in the County of Haldimand, etc., \$106,619; Ontario Provincial Police Force, \$55,288; Royal Commission on Book Publishing, \$438,673; Niagara Escarpment Study—Conservation and Recreation Report, \$45,902; Inquiry into Conduct of the Public and Members of the Metro Toronto Police Force, etc., \$77,434;

Egg Industry, \$59,233; Building Industry, \$891,031; Ontario Electoral Boundaries, \$46,171;

Landmark Motor Inn Hotel, \$51,501; Grand River Flooding, \$176,450; Metropolitan Toronto Police Practices, \$660,719; Toronto Jail and Custodial Services, \$932,444; Health and Safety of Workers in Ontario Mines, \$496,014; Metropolitan Toronto, \$1,079,099; Petroleum Products Pricing, \$667,261; Violence in Communications Industry, \$2,239,668; North Pickering Land Sales, \$142,375; Algoma University College, \$245,330;

Behaviour of Judge H. Williams, \$38,498; Ronto Development, \$52,242; Waste Management Inc., \$201,247; Aluminum Wiring, \$470,530; Freedom of Information, \$1,676,431; Status of Pensions in Ontario, \$1,180,195; Confidentiality of Health Records, \$1,438,858; Care of Kim Anne Popen, \$354,191; Food Discounting, \$442,205; Asbestos, \$989,860; Northern Environment, \$7,064,056; Highrise Fires, \$2,000.

McMICHAEL CANADIAN COLLECTION

487. Mr. Edighoffer: Would the Minister of Citizenship and Culture, with respect to the renovations to the McMichael Canadian Collection, advise the House:

(a) How many change orders during construction, and what aggregate value by area, have been issued in each of the following areas: (1) electrical, (2) mechanical, (3) structural, (4) landscaping, (5) masonry, (6) carpentry, (7) painting and finishing, (8) plumbing, (9) security and alarms, (10) roofing, (11) engineering consulting, and (12) others (specify)?

(b) What is the average value of each change order? [Tabled September 30, 1982]

Hon. Mr. McCaffrey: The change orders by area, number and aggregate value:

1. Electrical: 76; \$675,032.
2. Mechanical: 104; \$143,400.
3. Structural: 96; \$143,428.
4. Landscaping: 88; \$161,994.
5. Masonry: 27; \$34,648.
6. Carpentry: 47; \$48,409.
7. Painting and finishing: 174; \$234,331.
8. Plumbing: 21; \$20,975.
9. Security and alarms: 28; \$55,431.
10. Roofing: 15; \$49,656.
11. Engineering consulting: 0; 0.
12. Others (bulk containers, pumping clean-up, lightning rod, temporary heat, weather protection and security fencing): 40; \$33,363.

Total: 716; \$1,600,667.

The average value of each change order is \$2,236.

WETLANDS POLICY

548. Mr. J. A. Reed: Would the Minister of Natural Resources provide the following information:

1. When will the promised policy on wetlands protection be completed and released?
2. Has a summary of public responses to the wetlands discussion been compiled, and when is it scheduled for release?
3. What provisions have been established for public review of the final draft wetlands policy?
4. How will wetland concerns, including known wetlands of provincial significance, be incorporated into district land use plans?
5. What status will the approved policy have under the Planning Act?
6. Is the government reviewing the application of the Environmental Assessment Act to the construction of municipal drains, as recommended by the Mansell committee?
7. Will the minister table the report prepared by the Management Board on the economic benefits and effectiveness of provincial grants towards drain construction? [Tabled October 21, 1982]

Hon. Mr. Pope: 1, 2, 3, 4, 5, 6: The responses will be filed with the Clerk of the House when ready. 7: To be answered by Management Board.

Hon. Mr. McCague: The Management Board has not prepared a report on the economic benefits and effectiveness of provincial grants towards drain construction.

HOSPITAL FUNDING

651. Mr. Conway: Would the Minister of Health please provide a list of all those Ontario hospitals which have received the maximum five sixths provincial contribution towards their capital expansion programs since 1972? [Tabled November 2, 1982]

Hon. Mr. Grossman: Provincial contributions were made to the following hospitals during the period 1972-82—region, northern area:

Atikokan General, Atikokan; St. Joseph's General, Blind River; Burks Falls—Red Cross; Chapleau General, Chapleau; Lady Minto, Cochrane; Dryden District General, Dryden; St. Joseph's General, Elliot Lake; Emo—Red Cross; Englehart and District General, Englehart; Espanola General, Espanola; La Verendrye

General, Fort Frances; Geraldton District, Geraldton; Notre Dame, Hearst;

Hornepayne Community, Hornepayne; Huntsville District; Anson General, Iroquois Falls; Sensenbrenner, Kapuskasing; Lake of the Woods District, Kenora; Kirkland and District, Kirkland Lake; Manitoulin Health Centre, Little Current;

Manitouwadge General, Manitowadge; Wilson Memorial, Marathon; Bingham Memorial, Matheson; Mattawa General, Mattawa; Mindemoya—Red Cross; James Bay General, Moosonee; Temiskaming Hospital, New Liskeard;

Nipigon District Memorial, Nipigon; Parry Sound District General, Parry Sound; St. Joseph's General, Parry Sound; Rainy River—Red Cross; Margaret Cochenour Memorial, Red Lake; Richard's Landing—Red Cross; Sioux Lookout General, Sioux Lookout;

Smooth Rock Falls Hospital, Smooth Rock Falls; West Nipissing General, Sturgeon Falls; McCausland Hospital, Terrace Bay; Thessalon—Red Cross; Porcupine General, Timmins; Lady Dunn General, Wawa.

AMBULANCE ATTENDANTS

658. Mr. Van Horne: Will the Minister of Health indicate when ambulance attendants in Ontario will be equipped with two-way radios to provide the safety they require when answering emergency calls? Are these radios in ministry supplies now, awaiting the ministry's implementation of a centralized dispatch system? [Tabled November 9, 1982]

Hon. Mr. Grossman: Ambulance attendants are in constant communication with the dispatch centre using mobile radios which are installed in every ambulance in the province.

Portable radios are maintained in stock for distribution during disaster situations. Portable radios used in connection with central ambulance dispatch have unique frequencies and are issued when central ambulance dispatch systems are implemented. These radios are used via central dispatching as part of a communication network, thereby allowing the attendants to talk directly with hospitals, physicians, police and fire departments when necessary to gain their assistance.

The implementation of central ambulance dispatch systems is currently in progress throughout the province.

ONTARIO BICENTENNIAL

659. Mr. Foulds: Would the ministry provide the following information concerning the bicen-

ennial project: (a) any project or confirmed personnel for the 1984 "royal tour"; (b) any projected or confirmed itinerary for the 1984 "royal tour"; and (c) any confirmed regional meetings? [Tabled November 9, 1982]

Hon. Mrs. Birch: (a) On January 10, 1980, the mayor of Toronto extended an invitation to Her Majesty the Queen, and HRH the Duke of Edinburgh, to visit on the occasion of the city's sesquicentennial in 1984. This invitation was supported by the government of Ontario by requesting Her Majesty's consideration to join the people of this province in the celebration of Ontario's bicentennial taking place in the same year.

(b) On February 12, 1980, we were advised that the invitation had been accepted in principle and that the formal invitation stating specific dates and suggested itinerary should be extended about 18 months prior to the event. Discussions concerning the timing and format of the royal visit are now in progress with the Department of the Secretary of State for Canada.

A joint announcement on the specifics of the visit will be made by Buckingham Palace and the governments of Canada and Ontario.

(c) None.

660. Mr. Foulds: Would the ministry table the following information concerning the bicentennial project: (a) phase I and phase II of the Ontario bicentennial survey done for the government by Kwechansky Marketing Research Inc. of Toronto; (b) any other surveys done on the Ontario bicentennial project for the government; and (c) the cost of these surveys? [Tabled November 9, 1982]

Hon. Mrs. Birch: (a) No. The material was prepared to assist cabinet's consideration of the bicentennial. (b) None. (c) \$22,324.

661. Mr. Foulds: Would the ministry provide the following information concerning the bicentennial project: (a) expenditures on the project as of October 31, 1982; (b) the present budget of the project; (c) the expected total budget of the project over the next three years; and (d) when this total budget is expected to be approved by Management Board of Cabinet? [Tabled November 9, 1982]

Hon. Mrs. Birch: (a) \$77,409. (b) \$150,000 was approved in the 1982-83 estimates. (c) and (d) Management Board has made no decision beyond this year's estimates.

662. Mr. Foulds: Would the ministry provide the number and name of full-time and part-time staff at present employed by or seconded to the bicentennial project? Would the ministry also provide the number of full-time and part-time staff that will be so employed or seconded over the next three years? [Tabled November 9, 1982].

Hon. Mrs. Birch: Four persons. Stephen Otto, Edna Hampton, Colleen O'Dwyer and Toni Mancini. Staff to be seconded as required.

663. Mr. Foulds: Would the ministry table the following information concerning the bicentennial project: (a) the information package that was to be developed between June and September of 1982 for distribution to community organizations; and (b) the education program that was to have begun to be developed in June 1982, for distribution in April 1983, to schools throughout Ontario? [Tabled November 9, 1982]

Hon. Mrs. Birch: (a) and (b) Both were proposals with no action taken within the suggested schedule. Programs now being developed.

664. Mr. Foulds: Would the ministry provide the name of the person or firm who is designing the bicentennial logo and composing the theme music? Would the ministry also provide the cost of designing the logo and composing the theme music for the bicentennial project? [Tabled November 9, 1982]

Hon. Mrs. Birch: The bicentennial logo was designed by Advance Planning and Communications Ltd. at a cost of \$7,785. No theme music has been composed.

665. Mr. Foulds: Would the ministry provide the name of the firm that is or will be licensed to use the logo for commercial purposes? Would the ministry also provide a list of the proposed commercial uses of the logo? [Tabled November 9, 1982]

Hon. Mrs. Birch: Canadian-owned companies who wish to apply the logo to Canadian-made products will be permitted use of the bicentennial logo under a licensing agreement with the Ministry of Tourism and Recreation which operates a similar program for "Ontario—yours to discover!"

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SPEAKERS IN THIS ISSUE

Allen, R. (Hamilton West NDP)
Ashe, Hon. G. L., Minister of Revenue (Durham West PC)
Birch, Hon. M., Provincial Secretary for Social Development (Scarborough East PC)
Bradley, J. J. (St. Catharines L)
Breithaupt, J. R. (Kitchener L)
Bryden, M. H., Acting Chairman (Beaches-Woodbine NDP)
Cassidy, M. (Ottawa Centre NDP)
Conway, S. G. (Renfrew North L)
Cooke, D. S. (Windsor-Riverside NDP)
Cousens, D., Deputy Chairman and Acting Speaker (York Centre PC)
Cunningham, E. G. (Wentworth North L)
Davis, Hon. W. G., Premier (Brampton PC)
Drea, Hon. F., Minister of Community and Social Services (Scarborough Centre PC)
Eakins, J. F. (Victoria-Haliburton L)
Elgie, Hon. R. G., Minister of Consumer and Commercial Relations (York East PC)
Grande, T. (Oakwood NDP)
Gregory, Hon. M. E. C., Minister without Portfolio (Mississauga East PC)
Kerrio, V. G. (Niagara Falls L)
McCaffrey, Hon. R. B., Minister of Citizenship and Culture (Armourdale PC)
McCague, Hon. G. R., Chairman, Management Board of Cabinet (Dufferin-Simcoe PC)
McClellan, R. A. (Bellwoods NDP)
McGuigan, J. F. (Kent-Elgin L)
McKessock, R. (Grey L)
McMurtry, Hon. R. R., Attorney General (Eglinton PC)
Nixon, R. F. (Brant-Oxford-Norfolk L)
Norton, Hon. K. C., Minister of the Environment (Kingston and the Islands PC)
Rae, R. K. (York South NDP)
Ramsay, Hon. R. H., Minister of Labour (Sault Ste. Marie PC)
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Turner, Hon. J. M., Speaker (Peterborough PC)
Wells, Hon. T. L., Minister of Intergovernmental Affairs (Scarborough North PC)



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Monday, November 29, 1982

Afternoon Sitting

Speaker: Honourable John M. Turner

Clerk: Roderick Lewis, QC

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LEGISLATURE OF ONTARIO

Monday, November 29, 1982

The House met at 2 p.m.

Prayers.

STATEMENT BY THE MINISTRY

EMPLOYEE HEALTH AND SAFETY

Hon Mr. Ramsay: Mr. Speaker, at last Monday's sitting of the House, the member for Sudbury East (Mr. Martel) rose on a point of order relating to oral questions concerning the Essex County Board of Education, the Canadian General Electric plant on Dufferin Street in Toronto, the Dresser Canada plant in Cambridge, the Trailmobile Canada plant in Brantford and the Westinghouse plant in Hamilton.

As honourable members will remember, the question about the Essex County Board of Education concerned the apparent practice of female employees undergoing extensive medical examinations as a condition of employment. Generally speaking, under the Ontario Human Rights Code a medical examination may be conducted for employment purposes if, first, it is related to the requirements of the job and, second, it is an examination to which all employees are subject.

In the case of the Essex County Board of Education, the Ontario Human Rights Commission was made aware of the use of the medical questionnaires in question by the Canadian Union of Public Employees, Local 1348. The commission staff, notwithstanding the lack of a formal complaint by the parties involved, undertook to review with the board's personnel staff the questions deemed acceptable and not acceptable within the code.

The commission reports full co-operation from the personnel officer at the board, who has willingly met with commission staff and has initiated meetings with the physician involved. The physician has been asked formally to modify the questionnaire to respect the provisions of the code. The board of education has agreed to eliminate internal examinations and chest measurements and to make its medical examinations, both pre-employment and post-employment, job related. These revisions have been in place since November 1.

I understand the union has raised further

concerns with the human rights commission. A meeting between the commission and the union is being scheduled to clarify further any issues that may be outstanding.

So far as the Canadian General Electric plant at 241 Dufferin Street in Toronto is concerned, members will remember that questions have been asked regarding breast and gynaecological cancers among women employees at the plant.

The question of whether there has been an abnormally high incidence of these cancers among women at the plant, and most particularly in its lamp coil-winding area, was first raised in December 1980. The plant physician, Dr. Jack Richman, consulted with my officials at that time, and my officials discussed the various steps that might be taken to determine two things: first, whether there were any substances or processes in the coil-winding area that cause cancer, and second, how many cases of mammary and gynaecological cancers there had been among the women who had worked in the plant during the previous decade.

In December 1980, the precise numbers of cancers were not known, nor was it known whether the incidences were high, low or medium in comparison to those of the general population of women in Ontario. I might add that there were no incidence figures regarding working women. It was also not known whether those cancers might have been caused by factors in the work place, factors at home, hereditary factors or a complex combination of factors. It is against that background that Dr. Richman undertook to investigate the situation.

On February 3, 1981, ministry officials conducted a regular inspection of the plant. At that time, the union indicated satisfaction with the action that had been taken to that date. By November 1981, Dr. Richman had determined that 25 women who had worked in the plant during the previous decade had contracted breast or gynaecological cancers. Eight of the women worked in the coiling area which at any one time employs an average of 49 women. Two of the women worked in the office area which at any one time employs an average of 60 women. The remaining 15 women worked in other production areas of the plant which at any one time employ an average of 220 women.

Dr. Richman concluded that it was necessary to do a study to determine if the incidences of these cancers among the women who had worked in the plant over time, as compared with incidences in the general population, were high, low or within normal ranges. McMaster University was asked to prepare a proposal for such a study.

Up until November 1981, and in the ensuing months, there was every reason to believe that the matter was being pursued actively. The ministry had had no indication to the contrary from either the union or the management at the Dufferin Street plant. The questions of the member for Sudbury East were the first indication that any concerns were persisting.

A ministry inspection team has visited the plant to review the substances and processes that are being used today. The team will attempt to identify and assess to the greatest extent possible which substances have been used in the plant during the past 15 years. Onsite inspections have been completed and the report is being prepared.

The report will provide comprehensive, up-to-the-minute data on whether cancer-causing agents are present in the plant or such substances were present in the past. Any further tests or remedial action that may be necessary will be conducted promptly. In addition to that, CGE employees and management have invited the ministry to review the McMaster study proposal and my officials will do that. I will keep the honourable members informed.

In so far as the Westinghouse and Trailmobile Canada items are concerned, I must underscore what I said here last Monday. These matters are highly complex. Full reports have just been completed and submitted to me.

Any oral summary here of the contents of the reports would not do justice to the concerns expressed by the member for Sudbury East and the member Hamilton East (Mr. Mackenzie), nor would it do justice to the various important actions that had been taken by the employees, the employers, the joint health and safety committees and the ministry staff involved. Were I to read the reports into the record—I emphasize that the reports summarize the detailed information in the files—a very considerable amount of the time of the House would be consumed on matters involving highly complex and technical considerations.

For those reasons I have indicated, I have written to the member for Sudbury East suggesting that the most expeditious way to handle these

matters would be to meet so as to permit a full discussion of the reports. This would enable the member for Sudbury East and the member for Hamilton East to study the matters in detail and to question me and my officials about the actions taken in the light of our investigation. That offer stands.

In the meantime, I have sent copies of the Westinghouse and Trailmobile Canada reports to my honourable friends. I have also sent them copies of a report on potential exposures to isocyanates in those companies referred to on November 4 by the member for Hamilton East. I will also send them the report on Dresser Canada when it has been completed in the next few days. I will be most amenable to meeting with them on that subject too. I would have no hesitation in providing these reports to other interested members or in tabling them in this Legislature if it would be helpful to do so.

I believe that what I am proposing is the most effective way of ensuring that all of these matters are explored fully so that everyone can be satisfied that appropriate action is being taken by the ministry to protect the health and safety of the workers involved.

2:10 p.m.

Mr. Bradley: On a point of privilege, Mr. Speaker: It is not often we in the opposition rise on a point of privilege to compliment the government. We usually rise to complain.

I would like to compliment the Minister of Education (Miss Stephenson), on behalf of the members in this party, on implementing the Liberal education policy this morning at a press conference. The first step was the member for Scarborough North (Mr. Wells)—

Mr. Speaker: Order.

Mr. Peterson: Mr. Speaker, that may be the Liberal policy but it was probably fouled up somehow in the plagiarism.

ORAL QUESTIONS

NONRESIDENT AGRICULTURAL LAND OWNERSHIP

Mr. Peterson: Mr. Speaker, I have a question of the Minister of Revenue. He is no doubt aware that his colleague the Minister of Agriculture and Food (Mr. Timbrell) said, in referring to the foreign-owned farm land problem in his statement in estimates the other day, "We believe there are some properties which should be registered but are not."

It is obvious the Ministry of Revenue has not received some revenue as a result of the variety

of ways people use to get around the act. Could the minister tell me the extent of the circumvention of the Land Transfer Tax Act? How long has he been aware of it? How much revenue has it cost his government? Why has he not moved to change those loopholes in the act?

Hon. Mr. Ashe: Mr. Speaker, I think if the Leader of the Opposition had carried on quoting some additional parts of the opening estimates statement of my colleague the Minister of Agriculture and Food, he would also find—

Mr. Nixon: It was 84 pages. We can't quote the whole thing.

Hon. Mr. Ashe: It was not very long.

Mr. Nixon: It seemed long.

Hon. Mr. Ashe: —the Leader of the Opposition would find the minister also indicated that I will shortly be introducing amendments to the Land Transfer Tax Act in recognition that there are some loopholes that have been taken advantage of from time to time. We frankly do not think there is an extremely large loophole, but obviously a loophole becomes larger when more and more people become aware of it.

We do not know the actual numbers, but most of what it revolves around relates to organizations from offshore becoming involved in setting up a corporation for a local farming operation and then, in turn, buying shares in that farming corporation. In practical terms, ownership moves offshore but in real terms we have not known about it in the past.

I think that is a completely separate issue from the registration issue to which my colleague the Minister of Agriculture and Food addressed himself in his opening statement, and to which I am sure he will address himself further on any specific situation.

Mr. Peterson: The minister should not let me put words in his mouth, but he indicates he understands this problem is relatively new or is relatively limited in its application. If that is the case, why did he or his predecessor, or the Treasurer's (Mr. F. S. Miller) predecessor, say the following in the 1974 budget: "Where a nonresident acquires control of a corporation which owns lands in Ontario, this will be deemed to be a transfer of land and the tax will apply"?

In 1974, the government admitted there was a problem and said it was going to do something about it. Why has it not done something about that by now?

Hon. Mr. Ashe: As the member knows, 1974 predates both of us in real terms around here.

Mr. Peterson: I was born in 1943. You may have been born in 1976 but I was born a little ahead of you.

Hon. Mr. Ashe: I am just a youngster at heart too. I am not familiar with the background of the statement in the Treasurer's budget of 1974. All I know is, in current terms, in the past year or so, we have become aware of this loophole that has been used from time to time. In ongoing discussions with the people from the Ministry of Treasury and Economics and the Ministry of Agriculture and Food, we propose to close that loophole. If it was indicated in the past that there was a loophole in 1974, I am not aware of it.

Mr. Swart: Mr. Speaker, is it not true that part of the problem is the same as that of Cadillac Fairview and the minister cannot determine who the owners of the property are when it is a limited company?

Recognizing that the Liberals and Conservatives voted against the New Democratic Party amendment which would have provided for corporate disclosure so one could tell who actually owned the property, is the minister now prepared to recommend to the Minister of Consumer and Commercial Relations (Mr. Elgie), for the sake of his ministry as well as for the Ministry of Revenue, that there be full corporate disclosure of the ownership of all companies?

Hon. Mr. Ashe: No, Mr. Speaker. I think the Minister of Consumer and Commercial Relations fulfils his responsibilities in a very excellent manner. When he deems there is a problem in that regard, I am sure he will address it.

Mr. Riddell: Mr. Speaker, in view of the fact that I first raised the matter of foreign ownership with the former Minister of Agriculture and Food in 1978, indicating that foreign buyers were circumventing the Land Transfer Tax Act by forming Ontario corporations, now that the Minister of Revenue has finally recognized this is happening, will he confer with his colleague the Minister of Agriculture and Food to see if we are not ready now for legislation, similar to that which has been introduced by Quebec, Alberta, Saskatchewan and Manitoba, which would limit the amount of nonresident ownership of agricultural land in Ontario?

Why does the minister continue to state that this is not a problem if after two years he does not know the extent of foreign purchases? Will he admit that he is merely using foreign purchases as a solution to the problem of increasing farm bankruptcies in Ontario?

Hon. Mr. Ashe: Mr. Speaker, I am not sure that question, as it was posed, has been put to the proper minister. In so far as the Land Transfer Tax Act is concerned, over which I have some jurisdiction, I would suggest that really is not the problem that was addressed by the honourable member.

I think the extent of the problem to which he alludes is grossly inflated. My colleague indicated in his opening statement the other day that in terms of registration it appeared that about one per cent of farm ownership was in foreign hands. Even if you presume that the loopholes have been used in an equal amount, in other words another 100 per cent, that is two per cent. I am not too sure that one or two per cent is an unmanageable total.

I think in these considerations you always have to weigh the fact that you do not want to give offshore investors a complete turnoff on the general acceptability within this country and this province for reasonable, responsible investments. You do not want to go overboard in one sector and, in so doing, scare away potential investors in many other sectors of our economy.

PRESERVATION OF HISTORIC BUILDINGS

Mr. Peterson: Mr. Speaker, my question is for the Minister of Citizenship and Culture. I am sure he is aware of the demolition of the West Toronto railway station last week. It underscores the question I want to ask him.

He is aware that under the Ontario Heritage Act a local council can merely delay the demolition of an historic building for some 180 days. Of course, the other option is expropriation, which is costly and which requires a lot of money that is not generally available.

Can the minister tell this House why his government is opposed to enacting legislation which will effectively allow us to protect our landmarks?

Hon. Mr. McCaffrey: Mr. Speaker, with the greatest of respect, the demolition of that Canadian Pacific station has nothing whatsoever to do with legislation by my ministry. If a company opts to demolish a building in the pre-dawn light, notwithstanding understandings and agreements it has had with the municipal people and with others involved, there is very little one can do about it.

To be specific, our legislation was not involved in this matter one way or another. Had it been, I

say again there was nothing we could have done to have prevented it.

Mr. Peterson: I am glad that the minister just figured out my question. That is the whole point of it. His legislation is not involved and should be involved.

He is aware that since 1975 there have 10 or so requests by the Toronto Historical Board, as well as by city council, to have changes in the Ontario Heritage Act. He is aware there is a long list of people who have wanted to put more power in the municipalities' hands to handle precisely these kinds of situations. The minister, his predecessor and/or his government, are not interested in giving them that power.

My question to him is precisely as he figured out in the first instance. He is right that he is not involved; why does he not become involved in these kinds of questions?

2:20 p.m.

Hon. Mr. McCaffrey: I will try again, but the Leader of the Opposition continues to miss the point. We are talking about two things. There are some legitimate concerns about the strength of our legislation and the way it gives us muscle in dealing with some heritage properties in the province. There are legitimate arguments about that on both sides. With regard to the specific question, that CP station in west Toronto—

Interjection.

Hon. Mr. McCaffrey: No, they did not put it into context at all, because it is a federal property. It is a property that, notwithstanding the most stringent type of legislation that we might have—and we are thinking of strengthening ours—we could not have prevented what happened last week with that CP station.

Mr. R. F. Johnston: Mr. Speaker, would the minister inform the House as to what kind of changes to our legislation he is looking at to strengthen it? What kind of changes is he going to be proposing?

Hon. Mr. McCaffrey: Mr. Speaker, that is a good question. In a nutshell, our legislation now puts the onus on the municipalities to make sure that they, through their effort, through volunteer people and the local council, are able to save heritage properties.

The rationale behind this is quite legitimate. If the municipal people involved in a community have the conviction, the strength, the support and the volunteers behind them to mount the kind of effort required with their local council to protect the local building, we support that.

What we are faced with in this series of legitimate questions is whether we at the provincial government should exert more influence from Queen's Park. It is a two-sided question. We are very much looking at strengthening our legislation. If we can, we still want to keep the onus, not in the sense of buck-passing, on the local municipalities to mount the major effort. We help them, not just in a financial way but in terms of making expertise available, of which we have a large amount in the ministry.

There are some legitimate questions about how strong the legislation from Queen's Park should be. We are looking at that.

Mr. Conway: Mr. Speaker, given the fact that this private corporate giant has marched across the great province of Ontario—I know that in my own part of the province, the Canadian Pacific Railway has marched right up the Ottawa Valley, ripping the guts out of the historic centre of many of these communities, in Pembroke and elsewhere—does the minister, who is responsible for the heritage legislation in this province, not think the time has come for him to pick up the phone and call the president of the Canadian Pacific Railway and indicate on behalf of the people of Ontario that this is conduct he and his government will not tolerate?

Does he not think, as the members for London Centre (Mr. Peterson) and Scarborough West (Mr. R. F. Johnston) have indicated, the time has come for this government to put the kind of teeth in our heritage legislation that will stop the situation whereby we have the national dream becoming a local disgrace?

Hon. Mr. McCaffrey: Mr. Speaker, the time, indeed, has come for people interested in heritage in the country to finally get the attention of CP. I agree with that. That is being done in a variety of sources and we are a part of that. I might point out that we have had specifics—we could talk about Arnprior in detail—where we ourselves have had disappointing experiences with CP. On the other hand, Canadian National has been a great deal more co-operative and there are a number of instances of CN properties having been saved in the province.

At the one and only provincial cultural ministers' conference that I have attended since being minister, this took up a good part of the agenda. People here probably do not need to be reminded, but when one is out in western Canada the importance of railways in the development of the prairie provinces is even more significant than it has been in our province. A large number of people at all three levels of

government are concerned about drawing this to the attention of CP, to be specific, in as clear a way as we can, and we are part of that.

EMPLOYEE HEALTH AND SAFETY

Mr. Rae: Mr. Speaker, my question is for the Minister of Labour. The minister will know that a survey from the industrial sector in terms of prosecutions and orders under the Occupational Health and Safety Act shows that there have been 29,386 new orders, 5,248 repeat orders and a total of 36 prosecutions resulting in 28 convictions.

I would like to ask the minister two questions. How can he justify the number of repeat orders being so high—15 per cent; much higher even than last year—and how can he explain why the percentage of prosecutions is so low, still resting at 0.1 per cent?

Hon. Mr. Ramsay: Mr. Speaker, repeat orders do not necessarily indicate a lack of progress. In fact, in many cases they indicate that when the inspector goes back to investigate the first order, he has found that considerable progress has been made; he therefore issues a repeat order because it has not been completed. But it does not mean the company has failed to do anything about it. In most cases the opposite is true.

As far as prosecutions are concerned, I do not think a survey has been done in this respect, but I would imagine that if it were done, the number of files that have gone to our legal department would probably be found to have increased this year over last year. In fact, I am relatively sure of that statement. It is the opinion of the legal department whether or not they have a case to take before the courts. We have limited resources at our disposal in the legal department, and the courts are jammed enough as it is. As a result there is no sense in taking something in there if we do not have a reasonable chance of getting a conviction.

Mr. Rae: I challenge the minister on the second half of his answer just with respect to the facts of the situation.

But I would like to turn to a very specific example just to challenge him on the first part of his answer with respect to repeat orders: the case of the B. F. Goodrich tire plant in Kitchener. Since November 1978 there have been 107 orders, many of which were repeated several times. Specifically in November 1978, orders were issued to label contents in flow of pipes containing toxic chemicals such as ammonia, formaldehyde, steam and naphtha gas, to be

completed within six months. This order was repeated at least five times, most recently in July 1982, and the problem has still not been corrected. Why has there not been a prosecution in this kind of case when the order has been disregarded five times?

Hon. Mr. Ramsay: I am not completely aware of the background in that particular case, although I do know that a great deal of work has been done by the occupational health and safety branch in respect of that particular operation. If I answered the honourable member, I would only be speculating, and I do not want to do that.

Mr. Wrye: Mr. Speaker, does the minister believe that the number of prosecutions—36, or 0.1 per cent of the number of new orders—is adequate for his ministry to have initiated to indicate to companies that it is indeed serious in having these orders complied with? If he does not believe this is an adequate number, what efforts has he made to inform the government and other ministers that the limited resources he complained of, when he answered the first question, are one of the problems in getting the adequate number of prosecutions we need?

Hon. Mr. Ramsay: Mr. Speaker, we are not unlike any other ministry in this government today: All ministries are faced with limited resources. I can go back to the first step of the inspections, and that is the total inspectorate staff we have. It varies from 272, I believe, to about 290. As far as I am concerned that is a completely inadequate number to do the job. In order to cover something like 168,000 work places and 3.41 million workers under the act I think it is completely inadequate, and we have gone to Management Board.

As far as prosecutions are concerned, we are concerned because when we do get a prosecution, in our opinion the fine that is handed down is, in many cases, inadequate. When a fine is inadequate, it serves to give some employers the idea that it is a licence rather than a deterrent, and in the case of a prosecution we are concerned that a fine should be a deterrent and not just a licence to abuse the act. In that respect, I wrote to my colleague the Attorney General (Mr. McMurtry) some months ago and asked him to look into that matter.

2:30 p.m.

I would also advise that the weekend papers indicated that the Court of Appeal overthrew a decision by a lower court and applied a much higher fine to a particular company. In doing so,

they indicated they felt that some of the fines handed down had been too light and were not acting as deterrents, and they wanted to make sure the fines were. I am encouraged by that decision, because I think that will filter down into the lower courts.

Mr. Rae: The minister has admitted that he has neither adequate staff nor the legislation he needs in terms of fines to make sure the law is complied with. That is an extraordinary admission of failure and defeat by the minister for policies for which he and the government are responsible.

I once again ask the minister to explain this series of repeat orders in the B. F. Goodrich plant. A report by the occupational health branch in March 1980 and another in April 1980 note two chemicals, OBTS and Cure-Rite 18, used since 1966, as being either mutagenic and/or probably carcinogenic. In May 1980, orders were issued to ventilate these chemicals used in the precompounding area; in January 1981, there was a repeat order on ventilation; in April 1981, a repeat order on ventilation; in August 1981, a repeat order on ventilation.

How long is it going to take this ministry to act to protect the health and safety of workers in this and other plants around the province?

Hon. Mr. Ramsay: With the greatest of respect, I take maximum umbrage with the comments made by the honourable member. While the numbers may be small as far as our inspectorate is concerned, the quality of the people we have out there and the dedication to their jobs and the hours and effort they put into them are most commendable indeed.

In response to the last statement made by the leader of the New Democratic Party, I feel the Ministry of Labour has continued to move forward in a most progressive and positive way in addressing the safety of the workers in this province, and I will not apologize to him or to anyone else for the calibre of service we provide to those workers.

Mr. Rae: Mr. Speaker, I was not being critical of any civil servant. I was being critical of the Tory party and the Tory government for their inactivity. Let me make that very clear.

Hon. Mr. Ramsay: You're critical of the civil servants all the time.

Mr. Martel: You're darned right. They're doing a lousy job.

Interjections.

Mr. Speaker: Order, please. There seem to be a lot of private conversations being carried on. Interjections.

Ms. Copps: Mr. Speaker, on a point of order—

Mr. Speaker: I am speaking first.

There are too many private conversations going on. The noise level in the House is too high. I ask the co-operation of all members.

Ms. Copps: On a point of order, Mr. Speaker: I understood that the member for Sudbury East (Mr. Martel) stated that it was darned right, that they were commenting on civil servants because they do a lousy job. I wonder whether he could either correct that or elaborate on it.

Mr. Speaker: Please. That is not a point of order.

FREEDOM OF ASSOCIATION

Mr. Rae: Mr. Speaker, I have a new question for the Attorney General. In the light of the fact that the Attorney General has not appeared before the committee of the Legislature considering Bill 179, is he prepared to table before this House the opinion of the Ministry of the Attorney General with respect to the impact of Bill 179 on freedom of association as that term is understood and has been interpreted and as he understands it according to the Canadian Charter of Rights and Freedoms?

Hon. Mr. McMurtry: Mr. Speaker, there has been a considerable amount of discussion with the law officers of the crown in relation to matters that might be raised, and I can assure the House that they are of the view that this legislation does not offend the Charter of Rights. I cannot state at this moment that I have seen an opinion reduced to writing on that specific issue, but I know it has been discussed.

Mr. Rae: I take it from the Attorney General's answer that there is no written opinion with respect to the impact of this legislation on freedom of association.

Hon. Mr. McMurtry: That was not my answer, Mr. Speaker—

Interjections.

Mr. Speaker: Order.

Hon. Mr. McMurtry: For clarification, I said I had been present when the issue has been discussed. I cannot state to the leader of the New Democratic Party at this time whether an opinion that I have heard verbally has been reduced in writing.

Mr. Rae: I am still not clear as to whether the Attorney General says he is going to table it. I did not gather that from his answer.

I wonder whether the Attorney General, as the chief law officer of the crown, can explain the fact that letters have gone out in at least one ministry denying merit pay to employees who otherwise would have received merit pay in October, the reason being given that such merit pay would put an employee's salary over \$35,000 per year and that this would contravene this section of the Inflation Restraint Act.

Can he tell me how it is possible for employees of the government of Ontario to be denied benefits and merit pay which would be justly accorded to them, when this Legislature has passed no such legislation entitled the Inflation Restraint Act and, indeed, when that is still under discussion? How can he explain that these things are being done when the legislation authorizing this kind of cutback has not even been passed by this Legislature?

Hon. Mr. McMurtry: The question is obviously not a supplementary question, but in any event I have not seen the letters. We all know the legislation has not been passed. I do not know what the specific policy of each minister is with relation to this matter, but it would seem to me, without having seen the letters, that the letters would be quite consistent with the overall government policy in this matter.

Mr. Rae: I must say I find both answers of the Attorney General a little bit strange. First of all, he offered an opinion that he did not see it causing any problem in terms of freedom of association but—

Mr. Speaker: Supplementary, please.

Mr. Rae: —said that he had never seen such an opinion, and now he says he does not know whether or not people have been—

Mr. Speaker: Question, please.

Mr. Rae: I would like to ask the Attorney General, as the chief law officer of the crown and as the minister responsible for giving legal opinions with respect to this legislation, why did he fail to appear before the committee where we could have asked specific questions such as this? Will he make a commitment that he will make a major statement to this Legislature in the next few days with respect to the impact of this legislation on freedom of association and on the rule of law in Ontario?

Hon. Mr. McMurtry: To my knowledge, it has never been the policy in this Legislature for cabinet ministers not directly responsible for a

specific piece of legislation to appear before a committee of this Legislature in respect to that legislation.

JOB CREATION

Mr. Epp: Mr. Speaker, I have a question for the Minister of Municipal Affairs and Housing. Given that approximately \$280 million will be spent in this province on job creation projects, and municipalities obviously will be asked to share in those projects, can the minister indicate to this House what proportion of that money will be going to municipalities so they can share in those projects?

Hon. Mr. Bennett: Mr. Speaker, I believe that later this week the Treasurer (Mr. F. S. Miller) will be enunciating the complete plan and formula relating to the make-work programs both for municipalities and the province.

Mr. Epp: Given that municipalities will be participating and that the minister has indicated the Treasurer is going to announce some program in the foreseeable future, possibly this week, can he indicate why municipalities have not been consulted with respect to what part they are to play in this whole enterprise? The provincial government from time to time complains about the fact that it has not been consulted by Ottawa, yet it in turn does not consult the 838 municipalities in this province and asks them to carry the load for it in various projects.

2:40 p.m.

Hon. Mr. Bennett: The Treasurer and I will be meeting with the president and directors of the Association of Municipalities of Ontario later on this week, I believe prior to any announcement the Treasurer will make to this House and to this province. We will review the proposed programs of the Treasurer as to what participation, if any, will be expected of the municipalities.

Mr. Rae: Mr. Speaker, can the minister explain why the Treasurer made a statement outside this Legislature the day he made his announcement, saying he expected a 25 per cent contribution? Can he tell us whether, in fact, the government is expecting a contribution from municipalities and whether that is to be made up of their own money? Are they expected to charge more property taxes to make those contributions?

Hon. Mr. Bennett: Mr. Speaker, I have already said in this House this afternoon that the Treasurer will be enunciating the entire pro-

gram after we have had an opportunity of meeting with the president and directors of AMO. The announcement will follow thereafter. As to what participation in what programs and what aspects of the programs we will expect municipalities to contribute to or not contribute to, that will be enunciated at that time.

EMPLOYEE HEALTH AND SAFETY

Mr. Martel: Mr. Speaker, I have a question of the Minister of Labour regarding Northern Telecom Canada Ltd. and two workers who refused to work with beryllium copper because of the excessive dust level.

Is the minister aware that following the work refusal by the two workers on June 10, investigations were made by the occupational health branch and the work refusals were upheld?

Is he also aware that beryllium, even in low levels, is dangerous, entering the body through inhalation or through skin absorption, and can cause dermatitis, and skin, liver and kidney diseases to a severe and nontreatable condition?

Is he further aware that in a verbal report, Dr. Malik indicated that workers must be protected by respiratory protection, protective clothing and laundering controls, that each worker must be informed and that air sampling should be done?

Finally, is he aware that in a follow-up visit by his ministry on June 22, the company advised the inspectors that the company was subcontracting out the beryllium machining in view of the safety procedures? Can the minister explain why his officials then revoked the order, saying it had been complied with and was being withdrawn?

Hon. Mr. Ramsay: Mr. Speaker, I am aware of all the points the honourable member has raised. If my memory serves me correctly, between the time the first orders were presented and the follow-up, the company was on a layoff or was shut down, or that particular operation was terminated for a period of time.

The member is absolutely correct in that the company has indicated it is going to contract out that work. In each particular case when work is contracted out, my ministry's staff will be following up to make sure the company accepting that work is following all the safety precautions, including respirators and whatever else is required.

I also understand that not all the work would fall into that category. In fact, they send the dies with the work. Only some of the more antiquated dies still have that component in them,

but the newer, replacement dies apparently do not; that type of component has been phased out of any subsequent equipment or processes that will be used.

Mr. Martel: I am certainly glad I told Bell Canada I was going to raise this question, because the minister has a response.

Can the minister explain to me whether he has now tracked down where this work is being done; whether, because of the toxicity of the substances used, the workers have been provided with respiratory equipment; whether air sampling has been done; and finally, whether each worker has been advised of the problems of dealing with beryllium?

Finally, when can the 21 workers at Northern Telecom expect the report from the occupational health branch that they requested from Dr. James on June 8, 1982?

Hon. Mr. Ramsay: With respect, I do not think the honourable member's statement is quite accurate when he says "where it is being done"; I think the statement should be "where it will be done." It is my understanding that it is not being contracted out at this time. But if and when it is contracted out—and I believe that "if" should be in there, too—then the ministry will take all the precautions he has pointed out in his question.

RESTRAINT IN HEALTH CARE SYSTEM

Ms. Copps: Mr. Speaker, my question is for the Minister of Health. The minister knows that estimates for his ministry will be starting shortly, and I wonder whether he might comment on what kind of example of restraint he and his office have set not only for the employees of the Ministry of Health but also for people working in the health field across Ontario.

Hon. Mr. Grossman: Are you finished with that question?

Ms. Copps: That was the question.

Hon. Mr. Grossman: Is that the whole thing?

Ms. Copps: Yes.

Mr. R. F. Johnston: It's a setup, Larry.

Hon. Mr. Grossman: No, I did not know that. We have chosen, for example, to market our calendars at a very low price and low cost this year.

An hon. member: Two hundred dollars?

Hon. Mr. Grossman: Take \$200,000, divide by 100,000 and you find out they are \$2 a crack.

Mr. Speaker: Order.

Hon. Mr. Grossman: I believe we are exercising a high degree of restraint in this government—in my ministry and in all ministries. I suppose that in comparison to those with whom the honourable member herself so closely associates up in Ottawa, we are exercising an enormous degree of restraint. However, everything is relative, and I am sure she will dig up an example whereby she will attempt to prove that some of our \$6.5 billion is not being spent as carefully as she or her very close friends in Ottawa would have us spend it. I would be delighted to sit down and hear her stunning examples of that.

Ms. Copps: The stunning example comes directly from estimates. How can the minister preach restraint with a straight face when his own office, not including his salary and that of his parliamentary assistant, is forecasting a \$1.2-million budget increase this year, up 26.9 per cent from last year's forecast?

How can he tell hospitals across this province to hold the line when staff in his own office have increased 21.9 per cent in the past two years and salaries have increased 46 per cent, and when the first thing he did as minister was to have carpet and drapes installed in his office at a cost of \$8,466, even though his predecessor had had new carpets installed in 1980?

How can the minister talk with a straight face to hospitals across Ontario about restraint when the example he has shown in his own office is nothing less than appalling?

Hon. Mr. Grossman: I cannot be sure about this, but I would be willing to wager a modest amount of money with the member over the cost of outfitting your leader's new offices when he took office. I do not know whether it would have been \$5,000, which I think our answer on the Order Paper indicated the cost was, or \$8,000.

Lord knows, Sheila, I could lose this bet; I lost a bet over the weekend on the Argos. But I would say that most people would think that when a minister takes a new office, he might be entitled to change the broadloom and bring drapes that were not in the office.

In case you are terribly concerned about that broadloom, I assure you that we did not give it to Greymac to put into the suites of the apartments they bought. In fact, we found that there was a need for that carpet in other parts of the ministry, and it is currently being used in an office for which the ministry was going to buy some carpeting.

I do not mean to ruin your day, Sheila, but the

fact is that before the order for the carpets went in—and you can check the records and see that they were not ordered the day I arrived—we saw whether the existing carpets could be used elsewhere in the ministry. When it was determined that this could be done, then the Minister of Health—would you believe?—ordered a carpet. By the way, I did not like the orange; I wanted deep blue.

2:50 p.m.

Mr. Speaker: I caution all members and ask for their co-operation in referring to other members by riding and not by name, please.

CLOSURE OF AUDIO LIBRARY

Mr. Allen: Mr. Speaker, I have a question for the Minister of Colleges and Universities. In January 1982, when the minister's colleague the Provincial Secretary for Social Development (Mrs. Birch) was asked a question regarding the audio library at Trent University, she said it was not a matter of her responsibility. Yet when I asked the provincial secretary a question on that subject on Friday last, she answered as though it were.

Previous questions I have asked the Minister of Colleges and Universities on this subject have been answered as though they were her responsibility. Yet in the recent debate over the estimates of the Ministry of Colleges and Universities, the minister declared the audio library was not her responsibility and she was not quite sure whose it was, despite the fact the ministry has contributed to it for some years.

Will the minister tell me who does have jurisdiction in this matter and what specifically is being done at this point? Can she tell us, will the library continue or will it not?

Hon. Miss Stephenson: Mr. Speaker, in compliance with the exact letter of the law, the responsibility for that ancillary service at Trent is the responsibility of Trent University. However, because the service was having some difficulty and because we had received numerous requests from Trent, we have attempted to assist that university to keep it viable while it made arrangements to ensure its ongoing viability.

Ancillary services at any university are solely and totally the responsibility of the university per se. We do recognize that there are services which may go beyond the university or the educational system and therefore we have suggested within the cabinet committee on social development that it would be wise if we

were to look at all the services that might fall into that category.

The committee is doing so. The report will be available to the committee shortly, and a determination will be made about the way in which we as a government should respond to this multiplicity of requests.

Mr. Allen: I understand, of course, that this is something of a test case in the whole provision of services for the handicapped at the higher educational level and that it is not necessarily an easy matter to resolve. None the less, has the social development sector of the cabinet, of which the minister is a part, examined the financial consequences of the facility closing?

If even 60 of the students who are provided with those services have to withdraw and find themselves on disability pensions, that is going to cost the government something in the order of \$300,000 a year, almost twice the budget of the audio library, not to mention the future pension costs.

Is this not a case of being penny wise and pound foolish? Is it not also a case of playing fast and loose with the morale of the workers at such a facility by leaving the matter still unresolved at this point?

Hon. Miss Stephenson: It is not a test case of any kind. We have undertaken in good conscience the examination of a whole group of services being provided by other agencies, including universities.

I would remind the honourable member that he should know full well that an ancillary service begun by a university is a part of that university's responsibility and not a part of government's responsibility in terms of the return of service. If the university achieves any profit from any such agency, it does not come back to the government; it stays with the institution. If it does not manage to achieve a profit, then it appears the university feels the government should sponsor it.

Beyond that specific service there are others, primarily for the handicapped in a number of areas, which we have been looking at. We have decided it was our responsibility to look at the way in which relationships should or should not be established as far as those services are concerned.

That is precisely what we are doing, and the member knows full well that we are not playing fast and loose with anything.

Mr. Sweeney: Mr. Speaker, while she and her colleagues are reviewing this situation, will the

minister take into consideration the fact that Bill 82 now places a much greater emphasis on secondary schools providing a level of special education that was not available before and, therefore, many more students with these kinds of learning difficulties are going to be moving into the university?

Will the minister not recognize that services like the Trent audio library, which do serve several universities and not just Trent, are the very kinds of services that these students are going to require? Will she take that fact into consideration when she and her colleagues are making this review?

Hon. Miss Stephenson: Mr. Speaker, that matter already has been taken into account and is a part of our consideration.

FARM ADJUSTMENT ASSISTANCE PROGRAM

Mr. Riddell: Mr. Speaker, I have a question for the Minister of Agriculture and Food regarding his announcement to the Ontario Federation of Agriculture convention about the extension of the Ontario farm adjustment assistance program for one year.

The minister is aware, of course, that the \$60 million devoted to the program has not been spent. As a matter of fact, \$30 million of that \$60 million has been spent to assist the farmers, and only 4.9 per cent of the farmers have been helped, which would indicate that there needs to be some drastic changes made to that program. The minister need not shake his head.

Is the minister prepared to allow the interest rebate to be applied to the guaranteed line of credit and the interest deferral portion of the program as well as to that rebate part of the program where the farmers who happen to qualify for that category get a five per cent rebate?

Knowing that the interest rates have come down and being prepared to give an interest rebate only to a level of 12 per cent, which makes farmers wonder whether it will be very helpful, is he prepared to look at lowering the level to 10 per cent or even eight per cent if he is going to give meaningful assistance to these farmers to help them stay in business?

Hon. Mr. Timbrell: Mr. Speaker, as the honourable member knows, when the program was introduced it was never claimed that the money for the program would be spent in one fiscal year. In fact, a little bit was spent in the 1981-82 fiscal year and the balance will be spent over 1982-83 and 1983-84, because every case

that is granted assistance under the program runs for 12 months after the date of approval. Any cases approved in December 1982 will run to the same date in 1983.

Mr. Riddell: A one-year program.

Hon. Mr. Timbrell: That is right; one year. If I could take the member back a year ago to the task force report, on the basis of which this program was developed, it recommended a one-year program. If memory serves me correctly, it recommended the various options we followed.

Each of the three options—the interest rate deferral, the interest rate rebate and the guaranteed line of credit—was designed to deal with specific problems. In some cases people have received approval under two of the options and in other cases under all three options. There are a number who have been approved under two of the three, particularly the interest rate rebate and the guarantee on new lines of credit. It was never contemplated that we would mix the two, and we are not contemplating mixing the two.

On the question of lowering the level at this point, the rates have come down recently. There are varying forecasts of what will happen to the rates over the next few months; so I think it is premature to be talking about reducing it any further. I have to say that 12 per cent is still, in today's money markets, a good rate at which to receive operating credit. The rebates will continue to lower the cost to that. The prime is down around there, but the actual rate of borrowing is much higher than that.

Mr. Riddell: The minister and I know that unless there are some major changes made, this program is not going to save many farmers from going into bankruptcy. By spring we are going to find out how many bankruptcies there are. If the minister's tripartite stabilization program is not approved by the minister in Ottawa, and knowing that this program is not going to save all of the farmers—it certainly will not save many of the farmers; the minister knows it and I know it—what is he going to do?

3 p.m.

Why will he not reconsider bringing back the young farmers credit program which was announced in the throne speech and in the budget speech? That was the program that senior civil servants told me they were busy trying to draft when I called them about it. Why has he put that on the back burner? Does he not think this kind of program is needed just as much in this province as it is in practically every

other province that has a credit program of some kind for farmers?

Hon. Mr. Timbrell: Mr. Speaker, the member has mixed two or three different matters which are not necessarily related. First of all, he knows very well that this has been a successful program. He should sit down, as I have, with any number of farmers, sit down as I did about five weeks ago with members of the executive of the federation of agriculture in my office, who said this has been a successful program. We know this program has saved any number of farmers across the province.

Mr. Riddell: Only 3,000.

Hon. Mr. Timbrell: What does the member mean, only 3,000? Three thousand is an awful lot of farmers. We have approved interest rate rebates on operating credit in excess of \$570 million. That is not an inconsiderable program. The member should quit trying to play games with that.

The member knows as well as I do that the most significant thing we could do for the longer term, instead of ad hoc programs—and this is an ad hoc program, let us not kid ourselves about it—would be to get this tripartite stabilization program in place. The most significant thing the member could do to help the farmers of this province would be to use his influence on his colleague in Ottawa to quit stalling and to come to the table with the provinces and the producers.

I told the member before that the proposals we put forth with respect to beginning farmer assistance were shelved, not permanently, but they were shelved at the time we discovered in the early summer that the provincial deficit had gone up by some \$340 million due to declines in revenue. That is still a priority. It is something that I intend to push when the time is right.

Any number of farmers—young, middle-aged and old—have said to me repeatedly, “Mr. Minister, you can give us our money for zero interest and if we cannot get a proper return for what we produce it will not really help us very much.” That is why my first priority right now is, and will continue to be, to get action on a better stabilization program.

Mr. Swart: Mr. Speaker, surely the minister must know that the farmers are in a financial crunch at this time as never before. Although he may think 3,000 farmers out of 60,000 is a great number, probably more than that will go out of business this year because of financial reasons.

Because of the crunch at the present time, and recognizing that interest rates are coming

down, why would he not for a period of time bridge the gap and subsidize everything over the 10 per cent rather than the 12 per cent interest rate?

Hon. Mr. Timbrell: Mr. Speaker, obviously it is something we are going to watch very carefully. I want to point out to the member that even with respect to the Farm Credit Corp., which is the federal government's vehicle for long-term credit, where we have been urging it to enlarge its pool, even there it adjusts only semi-annually.

We are not going to make a substantial change with only a few weeks' experience with lower rates. If matters persist, we will obviously have to take another look at it. But right now, 12 per cent in today's money market is still a good deal.

FARM TAX REDUCTION PROGRAM

Mr. Swart: Mr. Speaker, I have a question of the same minister on another issue but a related one. I presume the minister will recall that his government promised during the 1980-81 election, as did the Minister of Agriculture and Food since that time, that all property taxes on farm lands and buildings used for farm purposes would be abolished starting in 1982. Why has he now postponed that for two years to 1984?

In particular, why is he cutting back on his farm tax reduction payment so that fewer farmers will receive it this year and next year, by raising the qualifying amount of farm production from \$5,000 to \$8,000?

Hon. Mr. Timbrell: Mr. Speaker, the qualifying amount had not been revised for a number of years. Let us not lose sight of the fact that we are talking about gross production values. We are not talking about net income levels. We are talking about the gross production on a given farm going up to \$8,000.

I gave some examples in my statement to the Ontario Federation of Agriculture and also in my statement on Friday—if the member would like, I will repeat them—of the small numbers of milk cattle or sows or acreage in tomatoes; that was one example that comes to mind, of the seven acres of processing tomatoes that would have to be harvested in order to qualify. That is under the new program. I do not think anyone is taking much issue with those. They are reasonable figures.

Mr. Swart: Some will.

Hon. Mr. Timbrell: I know some will. The member would probably like us to have it at

zero. That is not reasonable either. Those are reasonable figures.

The member may recall that the program had been shelved back in July. The Treasurer (Mr. F. S. Miller) felt for several reasons, not the least of them being the financial climate, that the matter should be deferred. The federation wrote to the Treasurer, to myself and to other ministers, asking us to reconsider that and we acceded to the request. I did take it up with my colleagues and they have agreed to allow it to begin in 1984.

Mr. Swart: Does the minister not realize that because of falling farm prices this is a crazy year to be bringing in that higher qualifying level, when a farm that produced \$5,000 worth of produce last year will perhaps this year realize only \$4,000 for the same produce? Does he not realize it is not the time to cut back assistance to the farmers?

Is it not true that he is cutting back now and will implement the additional payment in 1984, first of all, because he is trying to make the Treasurer's budget deficit look better and, second, because the following year will be an election year and that is when the government wants to hand out the goodies?

Hon. Mr. Timbrell: First of all, let me remind the member of the figures I gave the House on Friday in my opening remarks for estimates. This is using the 1984 production criterion of \$12,000 and using 1982 prices. It allows for the fact that by 1984 the returns will in all likelihood be better. But in 1984, to reach the \$12,000 production level using 1982 prices, one would have to have six cows producing for the fluid milk market, or sell 12 slaughter cattle, or harvest 46 acres of corn or seven acres of processing tomatoes.

Those are reasonable figures. We anticipate in our budget this year putting out \$63 million in rebates. If I remember correctly, the budget last year was below \$60 million. We are still going to be putting out more. By 1984, when the new program takes effect, we estimate we will be putting out \$85 million. That is more than a one-third increase because of the design of the new program.

I am the first to acknowledge that it may have imperfections. We have time between now and the implementation of the new program to try to iron them out. The thrust is very supportive and it has been very well received by the farm community. Maybe that is what bothers the member so much.

Mr. McGuigan: Mr. Speaker, does the minister realize the limitations are going to impinge mainly on the small acreages? On a small acreage, it is very unlikely that a man could operate a dairy herd of six cows or have seven acres of tomatoes. Under the modern system of production of tomatoes, a great deal of it is done with harvesting machines and the companies insist that there be a reasonably sized acreage because they need special trucks and trailers to deliver the tomatoes.

There are a lot of practical reasons for which his program is going to impinge very severely on those people with small acreages. Perhaps the minister should look at the practicality of those examples he has given.

3:10 p.m.

Hon. Mr. Timbrell: Mr. Speaker, short of having an absolute zero production requirement and no eligibility requirements at all, one has to draw the line somewhere. With the greatest of respect, I do not believe that in 1982 an \$8,000 gross production level—again I would remind the member that is not net income but is gross production value—is unreasonable, nor do I think \$12,000 for southern Ontario, under the new program, is unreasonable, given the kinds of figures I have shown members. One has to draw the line somewhere.

I suppose if it was as simple as exactly defining a farm, then the problem would have been solved long ago. As the member knows, it is not that simple. What the member might define as a farm, his colleagues to his left and right would not agree on. So we have tried to draw a reasonable line, which we think we have done. I want to remind the member that in addition to this, under the new program the recipients will still be able to apply for their property tax credits for the taxes they will be paying on their homes in the normal fashion, which is with their income tax returns.

I further want to remind the member that while under the new program their residences will be assessed and taxed in the same way that all other residences are assessed and taxed in that municipality, the land on which their residences sit will be assessed at 50 per cent of local prevailing rates. So they will get a break there as well.

PETITIONS

MUNICIPALITY OF METROPOLITAN TORONTO AMENDMENT BILL

Mr. Nixon: Mr. Speaker, I have a petition

from a large number of teachers in the constituency of Brant-Oxford-Norfolk requesting that honourable members seek the withdrawal of Bill 127, An Act to amend the Municipality of Metropolitan Toronto Act. It is addressed to the Honourable the Lieutenant Governor and the Legislative Assembly of the province.

Mr. Swart: Do you support it?

Mr. Nixon: I support it.

Mr. O'Neil: Mr. Speaker, I have a similar petition from 75 teachers in my riding requesting the same and I will send it to the Speaker.

Mr. J. A. Reed: Mr. Speaker, I also have a petition with 295 names to the Honourable the Lieutenant Governor making the same request.

Mr. Bradley: Mr. Speaker, I have a petition from a large number of teachers residing in the provincial constituency of St. Catharines. It reads as follows:

"To the Honourable the Lieutenant Governor and the Legislative Assembly of Ontario. We, the undersigned, beg leave to petition the parliament of Ontario as follows: We request that honourable members seek the withdrawal of Bill 127, An Act to amend the Municipality of Metropolitan Toronto Act."

These teachers, although they are in the provincial constituency of St. Catharines, see this as a possibility right across Ontario and want to express their concern and request that Bill 127 be withdrawn. I support that request.

Mr. Eakins: Mr. Speaker, I have a similar petition to the Honourable the Lieutenant Governor and the Legislative Assembly of Ontario. "We, the undersigned, beg leave to petition the parliament of Ontario as follows: We request that honourable members seek the withdrawal of Bill 127, An Act to amend the Municipality of Metropolitan Toronto Act." It is signed by 162 teachers in the riding of Victoria-Haliburton.

[Later]

Mr. T. P. Reid: Mr. Speaker, I too have a petition in regard to the retraction of Bill 127, signed by a number of teachers, not only in my riding of Rainy River but also Thunder Bay. I do not know how they got in there but they are in there as well.

Mr. Sweeney: Mr. Speaker, I have a petition to the Lieutenant Governor and the Legislative Assembly requesting the withdrawal of Bill 127. It is from teachers in my riding of Kitchener-Wilmot who are concerned that what is done in

Metro Toronto will soon be done elsewhere in the province.

Mr. Newman: Mr. Speaker, in the absence of the member for Wellington South (Mr. Worton), I have a petition to the Lieutenant Governor and the Legislative Assembly of Ontario. "We, the undersigned, beg leave to petition the parliament of Ontario as follows: We request that honourable members seek the withdrawal of Bill 127, An Act to amend the Municipality of Metropolitan Toronto Act."

Mr. Edighoffer: Mr. Speaker, I also have a petition addressed to the Lieutenant Governor requesting that this government withdraw Bill 127. It is signed by 206 constituents.

Mr. Ruprecht: Mr. Speaker, I have a petition addressed to the Lieutenant Governor and the Legislative Assembly of Ontario from a large number of people in the riding of Parkdale and also from other ridings: High Park-Swansea, Broadview-Greenwood, Don Mills, Scarborough East, Scarborough North, Don Valley, Eglinton, St. George, Etobicoke North, Bellwoods and Dovercourt.

All these petitions read, "We, the undersigned, beg leave to petition the parliament of Ontario as follows: We request that honourable members seek the withdrawal of Bill 127, an Act to amend the Municipality of Metropolitan Toronto Act."

Mr. McGuigan: Mr. Speaker, I have a petition from 124 teachers from my riding and also four from the riding of the member for Chatham-Kent (Mr. Watson). It says, "To the Honourable the Lieutenant Governor and the Legislative Assembly of Ontario: We, the undersigned, beg leave to petition the parliament of Ontario as follows: We request that honourable members seek the withdrawal of Bill 127, An Act to amend the Municipality of Metropolitan Toronto Act."

3:20 p.m.

Mr. Spensieri: Mr. Speaker, I have a petition from 225 educators in the city of North York, similarly asking for the withdrawal of Bill 127.

Mr. Van Horne: Mr. Speaker, I have the pleasure of presenting a petition from 141 teachers in London North, London Centre, London South and Middlesex, requesting that honourable members seek the withdrawal of Bill 127, An Act to amend the Municipality of Metropolitan Toronto Act, and I am pleased to say too that I support this petition.

Mr. Hennessy: Mr. Speaker, I have a petition

to present on behalf of the teachers of Fort William. "We, the undersigned, beg to petition the parliament of Ontario as follows: We request the honourable members to seek withdrawal of Bill 127, An Act to amend the Municipality of Metropolitan Toronto Act."

CLOSURE OF FACILITIES FOR THE MENTALLY RETARDED

Mr. Riddell: I have a petition, Mr. Speaker, and one that is very serious. This is a petition that was signed by 6,246 concerned citizens of Ontario who feel that a grave injustice has been perpetrated by this government on the developmentally handicapped people of Ontario. The petition reads:

"We, as taxpayers and concerned citizens of the counties of Huron, Bruce, Perth and Grey, call upon the government of this province to reconsider their decision to close the Bluewater Centre in Goderich, thereby not only throwing 213 employees out of work but, most importantly, turning their back on the many developmentally handicapped individuals who are dependent upon them for their every need and want. To economize at the direct expense of those who are unable to speak for themselves is cruel and heartless and we call upon Mr. Davis and Mr. Drea to reconsider."

Accompanying this petition, I have 735 handwritten letters marked personal and confidential. I was asked in Goderich on Saturday if I would personally see that the Minister of Community and Social Services (Mr. Drea) and the Premier (Mr. Davis) received these letters, so I am going to send them over to them. The authors of these letters are expecting a response from the minister and the Premier.

I also have letters from the Leader of the Opposition and the leader of the New Democratic Party. Again, they are expecting a response as to why the government is picking on developmentally handicapped people in order to practice these so-called restraints, and I support them.

Hon. Mr. Drea: Mr. Speaker, on a point of privilege: We are not restraining; we are spending \$10 million more than we are saving. The member should tell the people the truth.

INFLATION RESTRAINT BILL

Mr. Newman: Mr. Speaker, I have a second petition signed by 17 teachers from St. Anne's School in Windsor. "We, the undersigned, beg leave to petition the parliament of Ontario as follows: We request that honourable members

seek the withdrawal of Bill 179, An Act respecting the Restraint of Compensation in the Public Sector of Ontario and the Monitoring of Inflationary Conditions in the Economy of the Province."

I have a third petition, signed by 10 teachers from St. Genevieve School in the Windsor area. "We, the undersigned, beg leave to petition the parliament of Ontario as follows: We request that honourable members seek the withdrawal of Bill 179, an Act respecting the Restraint of Compensation in the Public Sector of Ontario and the Monitoring of Inflationary Conditions in the Economy of the Province."

MOTIONS

COMMITTEE SUBSTITUTION

Hon. Mr. Wells moved that the following substitution be made: on the standing committee on administration of justice, Mr. Spensieri for Mr. Wrye.

Motion agreed to.

SUPPLEMENTARY SUPPLY

Hon. Mr. Wells moved that any order for concurrence in supplementary supply be included in the order for concurrence in supply for that ministry.

Motion agreed to.

HOUSE SITTINGS

Hon. Mr. Wells moved that notwithstanding any previous order the House will meet in the chamber on Wednesday, December 8 at 2 p.m. and on each succeeding Wednesday until further ordered.

Motion agreed to.

INTRODUCTION OF BILLS

CITY OF PEMBROKE ACT

Mr. Conway moved, seconded by Mr. Nixon, first reading of Bill Pr42, An Act respecting the Corporation of the City of Pembroke.

Motion agreed to.

REGIONAL MUNICIPALITY OF OTTAWA-CARLETON AMENDMENT ACT

Hon. Mr. Bennett moved, seconded by Hon. Mrs. Birch, first reading of Bill 190, An Act to amend the Regional Municipality of Ottawa-Carleton Act.

Motion agreed to.

COUNTY OF HALIBURTON ACT

Hon. Mr. Bennett moved, seconded by Hon. Mrs. Birch, first reading of Bill 191, An Act to provide for the Constitution of the Provisional County of Haliburton as the County of Haliburton.

Motion agreed to.

REGIONAL MUNICIPALITY OF HAMILTON-WENTWORTH AMENDMENT ACT

Hon. Mr. Bennett moved, seconded by Hon. Mrs. Birch, first reading of Bill 192, An Act to amend the Regional Municipality of Hamilton-Wentworth Act.

Motion agreed to.

REGIONAL MUNICIPALITY OF WATERLOO AMENDMENT ACT

Hon. Mr. Bennett moved, seconded by Hon. Mrs. Birch, first reading of Bill 193, An Act to amend the Regional Municipality of Waterloo Act.

Motion agreed to.

MUNICIPALITY OF METROPOLITAN TORONTO AMENDMENT ACT

Hon. Mr. Bennett moved, seconded by Hon. Mrs. Birch, first reading of Bill 195, An Act to amend the Municipality of Metropolitan Toronto Act.

Motion agreed to.

ORDERS OF THE DAY

UNEMPLOYMENT

Mr. T. P. Reid moved, seconded by Mr. Wrye, motion 45 under standing order 63(a):

That this House condemns the government for: its lack of action in creating and preserving jobs for the citizens of Ontario; failing to recognize the inadequacies of the job creation and economic stimulation measures contained in the budget of May 13, 1982; refusing to cut wasteful expenditures to free needed funds for job creation; the using of moneys saved by restraint to cover up its own fiscal extravagance rather than fulfilling its responsibility to the people; failing to introduce a new budget or mini-budget to deal with the economic crisis it has helped to create; pretending that the programs announced on November 22, 1982, are a sufficient response to this crisis; remaining blind to the need to recognize the structural changes accompanying Ontario's decline and the need for a specific industrial strategy as well

as massive retraining programs to ameliorate these changes; ignoring the \$1-billion job creation and stimulation programs proposed by the official opposition; and failing to demonstrate the will and imagination to lead the province today; and for all these reasons, this government lacks the confidence of the House.

3:30 p.m.

Mr. T. P. Reid: We couldn't, with unanimous consent, I suppose, carry it, Mr. Speaker.

Since we last dealt with the budget back in May and June of this year, a variety of events has overtaken the province and the people. By midsummer it was apparent that the recessionary trend predicted or acknowledged was far more severe than the government had anticipated. In July, the number of people unemployed, seasonally adjusted, increased by 53,000, and the rate was 1.1 per cent over June figures, the largest single-month change in modern times.

On August 17, the Leader of the Opposition (Mr. Peterson) called on the Ontario government to demonstrate leadership by implementing a public sector wage and price control program proposed at the first ministers' conference as well as a program of across-the-board controls, and by recalling the Legislature to deal with the economic problems of the province.

The Premier (Mr. Davis) did not recall the Legislature for some weeks, during which time an additional 20,000 Ontarians became unemployed. When the House finally sat again on September 21, only the wage and price controls package was introduced, and, of course, it related only to the public sector. "A comprehensive recovery program would be the second step," which was to be announced at a later date.

Between the return of the House and the economic statement by Mr. Lalonde on October 27, the official opposition questioned the government on its lack of a job creation program 21 times. The Premier and the Treasurer (Mr. F. S. Miller) consistently refused to act until a federal program was announced, despite the statement in the budget that, "Since the federal government has failed to respond with a decisive and comprehensive set of programs, the government of Ontario has decided to implement new job creation initiatives of its own."

During this period Ontario unemployment increased by an additional 30,000 persons. Not until 26 days passed and 24,000 more people became unemployed after Lalonde's statement

did the Treasurer finally respond with his own highly inadequate job creation program. During the more than three months between the Liberal call for the return of the Legislature to deal with controls and job creation and the Treasurer's eventual statement of November 22, unemployment in the province increased by over 60,000 people.

At the same time the youth unemployment rate increased from 16.2 per cent to 18.2 per cent. There are now at least 190,000 unemployed young people in Ontario. Moreover, while the unemployment rate for women is lower than that for men, so is the participation rate. As a result of this vast number of people unemployed today, the opportunity for increasing the participation rate for women is being denied.

The budget projections have already proven to be more inaccurate than any in memory. Real growth in gross provincial product was projected at 0.9 per cent for the whole year and plus 4.0 per cent for the second half of the year. The Conference Board of Canada, which the government does not put much faith in because it does not like the board's figures, now anticipates real growth for the year to be minus 4.2 per cent in the second quarter of 1982, so that the GPP fell in current dollar terms for the first time in 22 years.

The unemployment rate was forecast in the budget to average 7.6 per cent for 1982. It is now established that it will be at least two percentage points higher, and projections for 1983, the balance, are even worse. Employment, it was claimed, would reach 125,000 over then-current levels by year-end. Employment in October was 130,000 below those levels, or 255,000 people off target. The total may top 300,000 by year-end.

Housing starts were predicted to reach 50,000 units per year. In October they were running at an annual rate of 28,000 per year. Retail sales were supposed to increase 10.1 per cent over 1981. For January to August, retail sales increased only 4.9 per cent, and the conference board expects they will increase only 5.2 per cent for the entire year.

The Treasurer has admitted in the Legislature that his budget projections were wrong—how could he not?—but he has refused to take the logical step and admit that measures based on those projections were also wrong.

A review of the \$171-million employment stimulation program included with the November statement shows this program has so far

created presumably 33,000 jobs. An analysis of the data reveals these jobs equate to approximately 10,400 person-years of employment. In the period over which this employment was created, May to December, over 200,000 Ontarians will have become unemployed.

I do not want to accuse the Treasurer of misleading people, but he has a way of not being very precise and concise about the terms he uses. In the Treasurer's mind, jobs can be something that exist for anywhere from four weeks on, or even less; while we are talking in terms of 10,000 person-years, or a year a person would be employed, as opposed to a job as defined by the Treasurer. Presumably, for him, that means even a day counts as a job.

Certain provincial programs have yielded jobs of extremely limited duration. Those under the northern employment incentive program have lasted an average of 4.9 weeks, while others under the repair program for colleges, universities and local school buildings have had an average duration of only three weeks.

It is interesting the Treasurer is embarking on a program supposedly in conjunction with the municipalities, which themselves have no money. One of the reasons they have no money is because the Treasurer imposed a seven per cent sales tax on all the goods they needed for construction programs on a normal basis over the year, already putting them behind in their budget projections.

The federal Conservative leader, Mr. Clark, called the federal new employment expansion and development program a fraud because its 60,000 jobs represented only about 25,000 person-years of work. By Mr. Clark's calculations, the Ontario employment stimulation program would seem to be an even less credible effort than NEED, and a component program such as the northern employment incentive program would seem to be a fraud some four times over.

Other budgetary measures have been equally inadequate. The Ontario renter-buy program was heavily undersubscribed. The tax holiday for small businesses is doing little to help those companies in need since two thirds to three quarters of the province's small businesses do not pay corporate income tax.

Bankruptcies, which are up an average 33 per cent over the period of May to October 1981, have the most severe impact on small businesses. The retail sales tax revenue estimate has been revised downward by some \$130 million as the government realizes it failed to consider how the tax might dissuade consumer spending.

In an area where the effect of sales tax extension is readily evident, sales of take-out restaurants are down 10.9 per cent for the June to August period, while they were off by only 2.6 per cent prior to the extension. In comparison with the rest of the country, Ontario fared better in take-out sales prior to June and far worse after June. The sales tax extension has led directly to the elimination of hundreds of jobs in the industry. It is incredible to me the Treasurer would not understand the impact of his own tax burden in the May budget.

Today, a number of months afterwards, we have an unemployment situation in Ontario at something like 500,000 to 530,000 people, and it is projected by all, including the Treasurer, to get substantially worse. Yet we really have not had much of a response of any kind from the Treasurer other than the pitiful program he came up with a week ago in this chamber.

My leader has suggested the approximately \$840 million that we are presumably going to save under the restraint program for the public sector could have been put in a pool to create jobs in Ontario. We have consistently been after the Treasurer to bring in a mini-budget that would help stimulate investment and employment in Ontario and all we have is the bleatings of the Treasurer that everything is the fault of the federal government.

We are not here only to be negative and to call attention to the obvious. In my budget speech and in the speeches of the leader of the official opposition—

3:40 p.m.

Mr. Cooke: Mr. Speaker, on a point of order: I think it is rather appalling that when we are discussing a no-confidence motion on the economy, there is not even a quorum in this House. I would like you to check for a quorum. There is not one cabinet minister.

Clerk of the House: A quorum is present.

Mr. T. P. Reid: Mr. Speaker, I think it is indicative of the arrogance of this government that it would not have a number of cabinet ministers sitting on the front benches, in particular those who might have some direct jurisdiction, such as the Minister of Industry and Trade (Mr. Walker), the Treasurer and the Minister of Education (Miss Stephenson). It is beyond belief that the cabinet would treat the Legislature in this way, but all we on this side can do is to point out that arrogance and the lack of political will to do anything. Perhaps they do not want to hear how incompetent they are.

It is interesting to note that in the last part of the no-confidence motion it says, "... and failing to demonstrate the will and imagination to lead the province today..." It is probably indicative of almost 40 years of Tory rule that they would be so slipshod, so incompetent and so arrogant, and would lack the will to deal with these very severe problems.

What bothers us on this side is not only the short-term response to the problems facing the province, but also the complete and utter lack of any long-term solutions to the structural problems of the economy of Ontario. One only has to read any newspaper or periodical, or listen to television or radio, to find out that the problems we are facing now are not going to go away easily. Even with the small programs, such as they are, announced by the federal and provincial governments last week, we are looking at an 18-month time frame.

Even after that time, we are still facing the fact that probably a minimum of 150,000, perhaps 200,000, permanent jobs have been lost in Ontario. We have heard that 40,000 jobs in the auto industry are lost. We have heard that in manufacturing generally, probably another 100,000 jobs have been lost. The other night, at the mining reception, it was made obvious we have lost more jobs in the mining industry. We know that Inco has laid off 3,000 people in Sudbury on a permanent basis. We know that the copper industry in the province, which accounted for a large part of our exports, is probably never going to come back because of fibre optics and the substitutes people have found for copper.

Yet we have heard nothing from this government about any long-range planning. We can be assured that the only long-term planning that is going on is the advertising program of the government for 1984 or 1985.

One of the better things the former leader of this party did was to come up with an industrial strategy for the province. That has been well documented. I do not intend to repeat all those matters here, but I would like to impress upon members how serious the situation in Ontario is.

We depend heavily on exports. This is a figure that many people do not realize. Per capita we export twice as much as Japan does. Our per capita exports, mostly to the United States, Japan and the European Economic Community, are twice what Japan exports to the world. While people think that Japan exports a great deal, Canada, certainly Ontario as the primary industrial centre, exports even more. What are

we doing to make ourselves competitive in the next few years?

During the budget debate, I put forward a suggestion that we set up within the government—and God knows I really do not want to see all that many more cabinet ministers, but it would be nice if some of them did something—Bill 166, An Act to establish the Ministry of Science, Technology and Productivity. We could do away with all the secretariats and probably half the cabinet ministers and do something to focus attention and government resources on this.

The only program that we have in Ontario to deal with long-term planning is the Board of Industrial Leadership and Development program, and every reputable newspaper and periodical has—I could use a northern term, but I will not—said less than complimentary things about it. It has been only a large public relations exercise without any teeth in it, and a shifting under the BILD program of a whole bunch of programs that were already under way, with the concomitant extra advertising and promotion that this government loves to do so much.

I want to spend a few minutes talking about productivity. Two weeks ago I asked the Treasurer what he felt we should be doing about productivity, and what his plans were. I was appalled, quite frankly. His response was so narrowly defined that he talked only about investment. Anybody who has any understanding of economics, or the way the economy works, knows that is only one factor in a number relating to productivity.

Last Friday, I asked the Premier what he was going to do about productivity. I gave him a couple of suggestions. His view was a little broader, I must say, than that of the Treasurer, but there was no commitment and, it seemed to me, no realization that this was one of our most serious problems.

Every reputable person who deals with these matters has said that our twin problems are inflation and productivity. Yet, we have heard absolutely nothing from the government opposite about what it intends to do to make our economy more productive.

There has been an interesting series of articles in the Financial Times, commencing last October. They provide what can only be described as a bit of a scary scenario. One can presume they are factual.

The series of articles points out that in the 20 years between 1951 and 1971, productivity in Canada—they used the simple definition of output per unit—increased by a respectable 51

per cent. The articles go on to say that in recent years, Canadian productivity has faltered badly to the point where economists and business leaders agree that Canada now faces a productivity crisis.

Between 1971 and 1978 real domestic product per employee increased to \$10,268, a negligible gain of 6.4 per cent. However, over the following three years, productivity actually fell back to \$10,085 per employee. The decrease means that in 1981 the same idealized, average Canadian employee produced two per cent fewer letters, widgets, or anything else one wants to name, than in 1978.

The figures I gave to the Treasurer showed Canada in 12th place in productivity in relation to other western democracies, including Japan, and yet we have heard nothing from the opposite benches on how to deal with this problem.

There are several things we can do in regard to productivity. A number of them have been mentioned before. For instance, I understand that in 1975 the Premier was on the verge of setting up a productivity council with representatives from business, labour and government. For some reason—possibly he felt he had been burned because of too much intervention in the economy in the 1975 election—that idea died. But there has to be such a council or we have to have the motivation to do this.

In these articles in the Financial Times and in other articles, it is interesting to note that no one is blaming the workers as being lazy or inactive or whatever. A lot of the blame is being placed on management for its shortcomings in improving productivity.

3:50 p.m.

Obviously, there is a need for investment in new equipment; a need for new technology; a need for improved apprenticeship programs and skills training. It is a sad time; we have one of the highest-educated and best labour forces in the world, and we are still suffering from the amount of unemployment we have. That unemployment is projected into the future, yet this government is not dealing with those matters to ensure that our greatest natural resource, our people, are well employed.

I have talked about a tripartite council to deal with productivity. We could do something through the tax system to reward and provide incentives for those industries and companies to improve their productivity. We could have some kind of measurement. If we had a tripartite council, the first thing we could have is a definition we could all agree to, as to what productivity is and how

to measure it. If we do not deal with this problem, which the government refuses to admit exists, then we are never going to restructure our economy. We are not going to get into the high technology areas we should get into. We are not going to be the kind of productive province we all want to see.

In these articles in the *Financial Times* and in other articles, Japan is usually referred to as the oriental Mecca, if I can use that phrase, of productivity and restructuring of the economy. Most people who have been there, who have studied that system, indicate that a lot of what is there in Japan cannot be transplanted to the Ontario economy with the same stupendously good results as the Japanese have had. Their productivity increased by 1,300 per cent over a 10-year period.

There are surely things we could do, however. One of the things I would like to see in this country and in this province is a commitment to full employment. Full employment can be defined as having a marginal unemployment rate of three or four per cent. The various Treasurers have changed that definition at will. Something that seems to permeate the Japanese experience is that they are prepared to ensure employment for their people. That has led to the fact that there have not been great fights about automation and high technology such as we have seen in relation to our own companies, industries, and forest and natural resources in Canada.

I could go on at some length about this. I just want to impress upon you, Mr. Speaker—I trust the other cabinet ministers at their leisure will read some of this—that I hope finally this government will start to grapple with the real problems that face Ontario, both in the short term and in the long term.

Mr. Cooke: Mr. Speaker, I want to indicate at the outset that our party will be supporting this no-confidence motion. I also want to make a couple of comments about the manner in which these motions and these debates are treated by the government. It is absolutely remarkable and a shame that the Minister of Industry and Trade is not present here today, as a minister who has something to do with the economy within the province. The Treasurer is not here.

Mr. Brandt: He will be here shortly.

Mr. Cooke: I do not care whether he will be here shortly. He should be here for the entire debate. He should be participating and he should be listening to the opposition's comments on the state of the economy. The com-

bined opposition represents more than 50 per cent of the people of this province. It is about time that the government of this province stopped treating the opposition in such an arrogant way, because when they do so, they are treating the people of this province in exactly the same manner.

I will make some comments, but it is really difficult to take any matters in this Legislature seriously when the government sticks its nose up in the air at us and ignores the opposition and ignores any of our valid criticisms of this government. There is only one cabinet minister present right now and he happens to be a cabinet minister who has absolutely nothing to do with the economic matters within the province.

Hon. Mr. McCaffrey: Oh, dead wrong, dead wrong. Culture is very big business.

Mr. Cooke: I understand the system and that the parliamentary assistant is here representing the Treasurer and I know how much input the parliamentary assistant has on economic matters within this province. For a good part of this afternoon, we did not even have a quorum to listen to a no-confidence motion. It is a shame and I hope that someone in the government passes along the message that at least this party is very upset with the way the government is treating the opposition. This is just another symptom and another example of their arrogance.

I will make a few comments about this motion and about the government's record on economic matters over the last number of months; for that matter, over the last number of years.

It was only on May 13, just a very few months ago, that this government brought in its budget. The facts and figures for where the economy of Ontario would be going over the next few months, the rest of 1982, were projected at that particular time. I want to quote a few of the Treasurer's comments to the members of the Conservative Party who are here today. On page four of the budget the Treasurer said, and I quote:

"Employment by year-end should reach 125,000 over current levels. Real growth in gross provincial product in the second half of 1982 should be four per cent on an annual basis."

Unemployment now stands at 532,000 people, or 11.7 per cent. In September, the unemployment figure was 504,000. So between September and October, unemployment was up by 28,000 people or 0.6 per cent. One year ago, unemployment in Ontario was at 319,000 people or seven per cent. Therefore, this represents an

increase in unemployment over a year of 213,000 people.

Ottawa has an unemployment rate of 9.4 per cent. Sudbury has an unemployment rate of at least 28.4 per cent according to Statscan, but probably it is much higher in reality. Oshawa, a city that members know something about, has an unemployment rate of at least 9.7 per cent; Hamilton, at least 14.3 per cent; St. Catharines and the Niagara region 14.8 per cent; and my own home city of Windsor, at least 13.4 per cent.

In the month preceding the budget of this year, unemployment was at 346,000 people or 7.7 per cent. Therefore, since the budget was brought in, unemployment has increased by 186,000 people to a record level in this province of over 11 per cent. That is more than a 50 per cent increase since the Treasurer brought in the budget. Yet he says in his budget that a recovery will occur in the second half of 1982. Well, it is some recovery when unemployment goes up by 50 per cent.

In 1980, leading up to the 1981 election, this government found that the unemployment rate at that time was high enough that it had to bring in a mini-budget in the fall—in November, I believe it was—in order to stimulate the economy. I suggest to you, Mr. Speaker, the only purpose then for the mini-budget was to stimulate support for the Tory party in Ontario, and there was very little concern about the economy. Now, when we need a new budget more than ever, to stimulate the economy, to stimulate consumer confidence and to get people back to work, the government ignores that necessity and brings in a program worth \$50 million to create a few jobs over the winter months.

The budget stated the Ontario government strongly believes that policies for job creation must be an urgent priority. That was on May 13, when the unemployment rate was much lower than it is now. Sure, we needed job creation, but now, with the unemployment rate well into the double-digit figures, job creation is needed in this province more than ever. Yet all we get from this government is Bill 179, a program that will lose more jobs to the Ontario economy.

4 p.m.

Again quoting from the budget of May 13, the Treasurer stated: "Although the Ontario economy has been experiencing a cyclical downturn, the prospects over the next 12 months are more promising. Later this year a recovery is expected to begin. . . ." I still ask the Treasurer: Where is

that recovery? Where did he get his projections? What kind of advice was he getting? Was he deliberately misleading the Legislature, or was he simply receiving bad advice from his advisers?

The only action has been the five per cent solution introduced by the government on September 21. This program offers no solution whatsoever. It destroys contracts and eliminates at least 12,000 jobs by eliminating well over \$500 million of consumer buying power.

How will removing hundreds of millions of dollars from the economy of Ontario stimulate the auto sector? How will it stimulate the steel industry or the resource sector? The answer is that it will not stimulate them; it will simply result in more jobs lost.

When an interest rate relief program was needed in this province—and it still is, but it was critical in the spring of this year—the response of Mr. Miller and Mr. Davis was, "Go to the federal government."

Now that job creation is needed more than ever, again the response we have got from Mr. Miller and Mr. Davis has been: "Go to the feds. There is nothing we can do. We need a national program, and only the federal government can do that."

Mr. Stokes: You mean the Premier and the Treasurer.

Mr. Cooke: The Premier and the Treasurer; Mr. Davis and Mr. Miller—it does not really matter. They are not here; they are very seldom here.

The Premier's response has been consistent: "It's a worldwide recession, and only actions in the United States and at the national level of our country will solve the problems." The Minister of Industry and Trade goes around this province talking, as he did in Windsor and London, about an export-led recovery.

On the one hand we have the Premier saying the worldwide economy is depressed and this is why we have the problems in Ontario that we have; on the other hand we have the Minister of Industry and Trade going around saying that we can have an export-led recovery. How stupid can one get? Does this government really think the people of this province are so gullible that they are going to believe our economy can be turned around by an export-led recovery?

What we need in this province now more than ever is a program that encompasses job protection and both short-term and long-term job creation. We have put forward in this Legislature, as we did also in the committee on plant shutdowns, our proposals for job protection.

They included universal severance pay—and we still stand by that recommendation—six months' notice before a plant could be closed down and a program of public justification before any plant could close down in Ontario, justification that includes justifying the closure to the community and to the workers involved. That is a positive program that would result in the saving of jobs in this province.

With respect to short-term job creation, we put forward very positive proposals which included the development of nonprofit and co-op housing in Ontario.

I am really nervous now that the member for Oxford (Mr. Treleaven) has the chair.

Literally thousands of jobs can be created in the housing sector if the government has the will to work with the private sector, the co-operative sector and the nonprofit sector to produce those jobs, to produce the rental units that are needed in Metro Toronto, in the Hamilton area, in the Ottawa area and in other areas where there is a very tight rental market.

In the area of public works, literally thousands of jobs can be created in municipalities, not with the little amounts of money that the provincial government has put into these programs, not with lack of co-operation and lack of consultation with the municipalities, but in a true partnership with communities and municipalities across this province to do the kinds of public works that are needed in Ontario now more than ever.

We have also put forward a proposal for conservation within this province where energy audits would take place, where low-interest loans would be available through Ontario Hydro to get people to save energy and at the same time create jobs.

In the long term, we have to take a look at and take action on the structural problems that exist within our economy in the major sectors, whether they be the automobile, machinery, food processing or the resource sector. All those areas have very deep-seated structural difficulties.

I am most familiar with the auto industry, and I hear the rather negative comments that are made by both the Treasurer and the Leader of the Opposition, that in the auto sector we can never get back the kinds of jobs that existed in 1978 before this recession occurred.

I believe that with a program of content legislation at the federal level and a program of research and development—not the kind of auto tech centre the provincial government has talked about, but a real program of research and

development—along with our Autocan proposal, we could have as many jobs in the auto sector in Ontario today as we had even in 1978, or more.

The facts speak for themselves when you look at the deficits that exist with our trading partners such as Japan and the United States. Content legislation would produce literally thousands of jobs, and with an Autocan program, where we would invest in the auto parts sector, those jobs could be produced and the quality of the products could be improved so that our exports would increase dramatically.

The same kinds of programs could exist in the machinery sector, where we have literally billions of dollars in deficits because we import more machinery than we export by far. The most glaring example is mining machinery, but there are deficits in every aspect of machinery in Ontario. In food processing we also have a deficit.

In summing up, I want to say that I have come to see what this government is all about. This government has turned in the last six months to being a negative government, a government that spreads doom and gloom all across this province, throwing up its hands and saying: "There's nothing we can do. It's a worldwide recession; it's a national depression. The provincial government can do nothing."

We in this party believe that through positive and constructive intervention on the part of government, jobs can be created and those jobs can turn this economy around, make it grow again and provide the kinds of opportunities for the unemployed that we all want to see. But simply to throw up one's hands and say there is nothing we can do, as the Premier and the Treasurer do, is a negative response, a doomsday response, and the people of this province are beginning to catch on.

We look forward to some positive action on the part of this government. Let us see that positive action. Alternatives have been put forward by our party time and time again. Let us stop throwing up our hands, as the Premier does, and let us have the kind of positive intervention that can create literally hundreds of thousands of jobs for the unemployed in this province.

Mr. Jones: Mr. Speaker, I listened to the mover of the motion and to the speaker for the New Democratic Party, and I find reasons why I think a lot of their remarks are missing what should be a critical part of today's comments and consideration.

I cannot for a moment agree with the last speaker, the member for Windsor-Riverside (Mr. Cooke), when he says the Premier and the Treasurer are somehow throwing up their hands and not doing anything, and then I hear this kind of kidding about some of the programs, such as our Board of Industrial Leadership and Development program and some of the other initiatives of this government.

We all know it is a complex economic structure. Certainly, as the Premier and the Treasurer have admitted, we do have difficulties that need very considerable and unique treatment with the involvement of government. But this does not suggest the kind of involvement that the immediate past speaker had in mind when he suggested intervention. We can just guess what he had in mind.

4:10 p.m.

As the member for Windsor-Riverside spoke, I noted that he could not help himself and drifted back into the debate on Bill 179, claiming it was the only positive program this government had for dealing with the economic problems facing the province. That is absolute balderdash. He knows full well, because he was given the answer in committee, that the restraint program of Bill 179 is just part of the overall picture. This government is going forward in the area of job creation programs which stem from the budget of May 1982.

We tend to hear similar comments from other members, and we see the same thing in the resolution of the member for Rainy River (Mr. T. P. Reid). He comments not only about job creation but also about the need to preserve jobs, and that is one of the centrepiece arguments in Bill 179.

If we are to have restraint in government spending, and wages and salaries are a large percentage of any government spending, then we know we have to have constraint and restraint if we are to avoid either a tremendous increase in borrowing or an increase in taxes. The alternative is to cut back services and lay off staff. Members opposite tend to ignore that consideration when they make their arguments against Bill 179 and its short-term pause effect on public sector employment.

While this government has been heard to comment about the 5,000 reduction in employees here, we also know that we have had an increase of some 15,000 in our public service across the province as a whole in the past three years. There is need for constraint and restraint. We have had a growth of 15,000. We addressed

some of this in the debate on Bill 179, but we find ourselves drifting back into that debate on this member's resolution.

I remind members that just as the mover of the motion was anxious to refer back to the budget of May 1982, others maintain that the government does not have in place, and going forward, both long-term and short-term programs as well as youth programs.

The leader of the third party put some questions to the Provincial Secretary for Social Development the other day which insinuated that this government was not responding with appropriate youth programs. We have to our credit a dramatic increase in funding over the past three or four years in our youth programs, and they are proven and very important programs. We have seen in recent months a commitment by BILD of an additional \$12 million to go into that envelope.

Mr. T. P. Reid: They are all short-term jobs at best.

Mr. Jones: I am talking about proven ones; so the member for Rainy River should not knock them. He knows very well how the Ontario career action program is received by all sectors out there.

The new winter program, for example, and the Ontario youth employment program—some are seasonal and some are year-round—have had increased funding and amount to more than \$90 million, close to \$100 million. They are creating between 92,000 and 93,000 jobs, which young people are very grateful to have to gain experience and the opportunity to become part of the work force.

The comments contained a suggestion—and I know we will hear it again from the Liberal members; I believe the member for Rainy River mentioned it again today—that this magic figure of some \$840 million, which came up in the debate about constraint and restraint, should be put into a pool and used for new programs such as his leader has been recommending.

Everybody over there thinks this government in some way is taking back \$840 million. That is like saying if you do not buy that Cadillac or spend \$10,000 on that Chev, you will have it in hand; which is naïve, to say the least. I can only say it is money that would not be spent. So, if we were to start planning programs to spend it on, it would not make a lot of economic sense.

Just for a moment I would also like to share with the members, because I think it is important they know, the progress that has been made on some of the programs outlined in the eco-

conomic package contained in our May budget and now being complemented by new programs brought forward since then by the Treasurer, some of which are a matter of joining with the federal government.

I heard someone use the comment "a pitance" in reference to some of these programs, and the member for Windsor-Riverside referred to \$50 million for this small number of jobs. I have to suggest to the member, let us not get caught up in what is \$50 million or \$100 million, because these are large amounts of money. If the member totes up what this government has had in its ongoing programs and how it has enriched from its budget the various programs it is involved with, well thought out and all working, he will find himself getting into many hundreds of millions of dollars. That is the commitment of this government.

For example, our budget of May 1982 did outline a short-term job creation program, as the member knows from reading page 7 of the budget statement. It dealt with that. We saw programs where \$133 million was committed and resulted in some 15,350 short-term jobs. The people who were involved in that are very grateful to have jobs in view of the economic conditions we know we are faced with today.

We saw repair programs for colleges, universities and local school buildings. Someone was knocking the duration of those programs. That is to pretend that these other programs are not going forward. We heard someone make snide remarks about the BILD program. Let us keep in mind that the BILD program is an economic strategy. I know the Liberal member who moved this motion gets up and tells us—and they tried to do it in the last election—that we have just reinvented an economic strategy. But this government has a BILD program under way that has been going forward.

In this case, it meant another \$5.5 million for universities, \$4.5 million for colleges and \$5 million for local schools. Some \$15 million was part of that as well as accelerated water and sewage treatment programs in the \$8-million range. We have seen the Ontario employment incentive program, with 700 municipalities plus 20 conservation authorities participating in those job creation ventures.

People can make light of that, but let us remember they are grateful in the areas of large unemployment where this problem has been concentrated. The \$34.5 million that went into that section of this package or envelope has seen large numbers at work now. New jobs are

being created under the new \$50-million project. The members heard in answer to a question in question period that details will be forthcoming from the Minister of Municipal Affairs and Housing (Mr. Bennett) and the Treasurer. Let us not make light of this.

We had \$171 million committed in short-term job creation. We saw a youth package that was more than \$90 million and up to \$100 million. The members heard a commitment of another \$100 million of projects going forward, joining with the federal government, as the Treasurer outlined this past week. In the next 18 months, there is another \$50 million the Treasurer announced, I believe last week or the week before, and there is another \$30 million. In the past few weeks we have heard commitments for a total of \$280 million. Let us not sneer at what kind of dollars those are.

We have been urging the federal government to join us in these types of programs. Someone pretended that the Premier was not active on that score. The member knows full well, as he looks back in history to summer and these recent months, that the Premier has been continually urging the federal government on many of these projects. We are starting to see some of them now coming to us in response.

I know the New Democratic Party made fun in the Bill 179 debates about the so-called waste of the \$250 million that was committed as a tax holiday to small business. Given that we cannot just think of the public sector but have to be mindful of the private sector and especially our small business sector, because it creates no less than 50 per cent of all the new jobs in this province, we all know, as we saw in the budget, that the Treasurer did affect some 60,000 private sector, small business employers in that \$250-million commitment. We have had some people poking fun at that in the recent debate on the economy.

4:20 p.m.

Mr. Conway: It is sort of like your provincial highways. No highway is worth having if you can't take it through four elections.

Mr. Jones: Let us not talk about that. As the member should probably know, road projects have already seen \$59.5 million in the accelerated program happening under the Ministry of Transportation and Communications. We have had 125 municipalities get an extra \$4 million out of BILD within the past couple of weeks. That has created another 1,300 jobs, just under

that portion of BILD's acceleration in its work with MTC.

As I conclude my remarks, I would but say: Whether we look at the farm programs with a recruitment of some \$15 million, whether we look at the increase in our youth programs where there are 2,000 additional jobs under our short-term, job co-op program, whether we look at the mining sector where a lot of those new jobs have been created, or whether we look at our forestry industry and some of those co-op programs, we have seen a well-thought-out—

Mr. Foulds: I beg your pardon.

Mr. Jones: I have those statistics right here for the member.

We have a well-thought-out combination of programs, co-ordinated in large measure through BILD across the various ministries, that are responding to the communities with the greatest need in our economy and the sections of our economy where this province can effect an impact.

We have had a comment about the number of hours in our forestry projects. Even back on September 30, when some of the statistics were first becoming available, we saw a commitment of some \$10 million with some 3,000 jobs already in place.

I conclude by saying that the various projects now taking place were designed as an economic strategy flowing from this budget. In concert with the overall economic strategy of the government, we are seeing long-term planning. I know the members are kind of appalled as the last speaker wanted to knock the high-tech centre, the auto tech centre, ignoring some of the other high-tech centres, such as robots and all the different things that are taking place in the various parts of the province that are speaking to—

Mr. Cooke: Isn't that the centre that was promised to half of Ontario?

Mr. Jones: Yes, BILD initiated new high-tech industries that are happening in my riding and indeed across the province. A lot of them are due to the encouragement they are receiving through guidance and assistance from this government. One of the tools being used extensively is the BILD program, which accounts for so many aspects of this government's economic planning.

I urge the members to reject the motion of the member for Rainy River as it speaks to needing a specific industrial strategy. I remind the members that we have one.

When we talk about restraint, that is another debate; but it is an important part of being a place people come to invest and build, having confidence in a government that helps to work through the various interfaces with the private sector and the other levels of government it works with. It is doing so with some large and dramatic figures that speak to its commitment to the unemployed.

It also speaks to the inventiveness it has brought to the creation of these programs dealing with accelerated co-op work and the other parts of the program that are laid out in the budget and the programs that are flowing from that about which we shall be hearing more details from the Treasurer in the next few days.

Mr. Sweeney: Mr. Speaker, if we had any doubts at all as to the need for a motion of no confidence to be presented in this House, particularly one as all-inclusive as that of my colleague the member for Rainy River, then they would be resolved by what we have just heard from the other side of this House.

That was the most feeble apologist's attempt to justify what this government has done over the past decade that I have heard in a long time. Given that the member who just spoke is the parliamentary assistant to the Treasurer and given that the Treasurer could not have done much better—I doubt that he could even have done as well, quite frankly—we should not be surprised at those kinds of comments.

I would have to say that the member "doth protest too much." He doth protest the comments made by members on this side, saying we should not say them and then spending half his time to protest them. He doth protest about the wonderful Board of Industrial Leadership and Development program the government is supposed to have put into place to solve all our problems.

Let us make no bones about it. The BILD program is plainly and simply no more than a government shell. Given that the government and its members are the apologists for big business in this province, when they use corporate shells as their model, it is no wonder we should see something very similar.

All one has to do is to look at any of the reports of BILD and one will find that, to know what is going on, one calls the Minister of Natural Resources (Mr. Pope), the Minister of Industry and Trade, the Minister of Education or the Minister of Citizenship and Culture (Mr. McCaffrey). Call anybody, but do not call BILD.

Do not call BILD, because it does not know what the blazes is going on. It is simply a shell. Money comes from one part of government and passes through this useless shell into something else. That is all it does. Even its predecessor, the employment development fund, had a better claim than that. At least it was doing something. But BILD is a sorry spectacle as the economic and industrial plan of the government of Ontario, because it is nothing of the sort.

I am also somewhat appalled, as the previous speakers on this side of the House have pointed out, by the lack of interest in this debate. I point out that this is not the sort of thing the opposition does on a regular basis. I was trying to recall, but it must be at least a year since our party put forward a motion of no confidence, not that there have not been lots of opportunities and reasons for doing so. It is not the sort of thing we do on a whim. We are not playing political games here. We are trying to stress as seriously as we possibly can the problems facing the people of Ontario and the need for the government of the province to begin to resolve some of them.

We are also trying to point out that members of the opposition parties from time to time do have some alternatives and ideas that have some validity and some value. I want to take the opportunity, as my colleague the member for St. Catharines (Mr. Bradley) did earlier in the day, to compliment the Minister of Education for the secondary education review project report and to point out once again that many of the accepted recommendations in that report were proposed by this party in 1976 and subsequent years. This demonstrates that we have not behaved simply as an obstructionist party. We have on numerous occasions tried to present to the government some positive alternatives, trying to make the system work. We have done that in the past and will continue to do it.

Mr Conway: Do you recall what they said in the 1981 election about grade 13?

Mr. Sweeney: Oh, yes. We will be recalling lots of things, as my colleague the member for Renfrew North (Mr. Conway) has so aptly pointed out. While we are recalling, let me draw to the attention of the very few members of the government party opposite this little headline which appeared in the *Toronto Star* on September 14. It says, "Jobless Youth Could Riot, Study Warns." What study is it talking about? It is talking about a secret Ontario cabinet discussion paper prepared by the office of the Provincial Secretary for Justice (Mr. Sterling).

It says, "Ontario's chronic youth unemployment could lead to street riots similar to those which rocked Great Britain last year." I recall one of the government back-benchers making some observation similar to that as well. It goes on to say, "It does warn that the current high unemployment rate among youth rates immediate attention."

4:30 p.m.

What is the immediate attention we are getting? Let us take a look at it. First of all, there has been an increase of 64 per cent in the last year in youth unemployment in Ontario. Second, youth unemployment covers an age range from 15 or 16 to 24, a nine-year period out of the statistical records of 50 years, because we keep employment records in this province and in this country from roughly age 15 to 65. Those unemployed youths represent 44 per cent of the unemployed people in Ontario. I do not doubt at all that the secret cabinet document warning and advising us of potential problems among the young people of this province would be a serious document. It would be one that we would want to address ourselves to very carefully.

I want to point out again how it is that this government is largely responsible for what is happening in the province right now. It is responsible for many of the things we are seeing, many of the difficulties we are seeing among our young people through the lack of training of those young people, the lack of co-ordination between the needs of the industry and business of this province and what the young people are being trained to do.

When we look as far back as 1963, back as far as 1968, back to 1972 and, yes, back to 1976 and 1978, all of these problems were brought to this government's attention through its own reports, reports that it commissioned but did not follow up on. I would remind the Minister of Education, who is sitting opposite me right now, that in 1978 when she was the Minister of Labour there was a joint conference held at Seneca College.

Mr. Conway: Was it that long ago?

Mr. Sweeney: Yes, it was four years ago in 1978. The Ministry of Industry and Tourism was represented, as were the Ministry of Education and the Ministry of Labour. They were telling us about what they were going to do and the things that needed to be done. One of the most startling reports that came out of that conference was one tabled by the then Treasurer of the province, Darcy McKeough.

Do the members know what Darcy McKeough's

report said? It said that two thirds, fully 66 per cent, of the youth unemployment in this province is structural. He was very critical of his colleagues in the Ontario government for allowing that to happen. He warned them that if they did not start taking steps very quickly things were going to deteriorate even more.

Mr. Conway: Who said that?

Mr. Sweeney: Darcy McKeough said it in a report only four years ago. It was a scathing report, and we are still suffering the consequences of that report.

What do we see from this government? We see one after another of these little, temporary, job creation schemes. There are a few jobs here, a few million spent here, a few more jobs here and a few million spent there. Sure, I will agree with the parliamentary assistant to the Treasurer that every single person who got one of those jobs was glad to get something. Certainly they were. When one has to put bread on the table, a roof over one's head and clothes on one's back one is glad of something rather than nothing.

But that member knows as well as I do that is not what the people of this province need. They need something permanent; they need something long-lasting. They need an economic recovery program to which we can tie a manpower training program and to which we can tie in an apprenticeship training program, so that we have long-term viable jobs, and so that when the economy of this province begins to turn around we will have young and more mature people who are prepared to take on the jobs that will be needed and we will not face once again in this province, which we have so often done in the past, the need to import skilled labour while our own people stand in unemployment lines, and yes, today even in soup kitchen lines.

The last thing we want is for the Premier to stand up a couple of times a week and, in response to questions from this side of the House, tell us: "Well, that is too bad. Until the economy of the United States recovers, we are not going to be able to sell our cars. If we cannot sell our cars in the United States, then we are not going to recover our economy."

First of all, they spend all of their time telling us the terrible things that the federal government is doing, and now it is what is happening in the United States. It is about time that we developed some expertise right here.

I notice the Minister of Industry and Trade has joined us in the last few minutes. I want to draw to your attention, Mr. Speaker, that while

we were in the process of the minister's estimates debate we had a little booklet drawn to our attention from the trade section of that ministry. I have forgotten the exact title, but it was about selling Ontario's expertise abroad.

I want to suggest to that minister and to all of his colleagues in those benches over there, that before we start selling Ontario's expertise abroad we had better start applying some of it right here in Ontario. It is a blooming scandal and hypocrisy to suggest that we can go outside the jurisdiction of this province and sell out there what we have not successfully sold right here.

When we have as many unemployed young people in this province as we do, there is something seriously wrong. I will conclude my remarks by asking the members on the opposite bench to put themselves in the place of the unemployed people, those people in this province who are feeling a sense of hopelessness and helplessness, who are feeling angry, who are feeling frustrated and who are very close to coming to the point of asking: "What difference does it make? What have I got to lose?" Rioting in the streets? We may be facing far more.

That is why this vote of no confidence is put before this House today. That is why I support it.

Mr. Mackenzie: Mr. Speaker, I rise in support of the lack of confidence in the government expressed in the Liberal motion. That is the reason I support it, not because of the motion itself. The total inadequacy of this government in dealing with the needs of the people of Ontario has been laid out for all to see. The budget was a farce. I do not know of anything that was more wrong than the Treasurer's predictions on revenue, on jobs, and on when things are going to start turning around in Ontario. He has been proved wrong on every point.

I noticed with interest a little piece in the *Globe and Mail* in the last week about the Treasurer meeting with Mr. Axworthy. He was complaining about not getting his fair share of jobs. His complaint was based on the fact that because Ontario had 40 per cent of the population, it should get \$200 million. His aides had to inform him that we had only 35 per cent of the population. He was out only 440,000 people in that particular comment, but it is rather indicative of the kind of research we have had from the Treasurer of Ontario.

I am not at all sure that we have ever had a Treasurer. That is as far off the mark as this particular Treasurer has been. Surely, his research

has been of the wing and a prayer variety, not based on any hard digging. I guess he has been living with a hope that somehow or other we were going to turn around the economy of Ontario. He was not facing up to the harsh economic realities that I think have been sending out danger signals for at least the last couple of years.

His blind faith in the private sector has set the people up for no jobs, for a very serious welfare problem, for problems with the youth, tremendous unemployment in the youth sector. It has also highlighted the sickness in our society in Ontario as we go through scam after scam. We can go back to the Re-Mor/Astra scam or the more recent Cadillac Fairview scam. It is all symptomatic of this Conservative government.

There is no mistake in my mind. Even the Minister of Education, who likes to interject, seems to have a little trouble with her facts. I would like to hear about her press conference of this morning. I understand that while she was all for the sanctity of contracts in her new moral values, that sanctity did not apply to contracts of public servants such as those under Bill 179. In her reference to the press I think she meant the marriage contract.

4:40 p.m.

Make no mistake about it. This Conservative government of Ontario should and must go if we are going to do anything. Having said that, let me also make it clear that we have some differences with this motion which the Liberals have moved. I am somewhat amazed to see, in reading it, that it could apply every bit as much to the federal Liberal government. It makes me wonder if we were perhaps wrong to say that a Liberal is a Liberal is a Liberal. Maybe this motion, which says a plague on both your Houses, indicates a slight difference between the two Liberal parties. Who knows? But it does make me feel that the motion could just as easily apply to the federal House as to the provincial House.

I also have some reservations about being on side with what appears to me to be an acceptance of the government's restraint program in Bill 179. At least they seem to be arguing that the only thing wrong with the current government's approach—and its one major attack on the problem seems to be Bill 179—is that the wrong use is being made of the money which is being stolen from public sector workers; that it is being used to cover the government's own extravagance.

If, indeed, that section of this particular

no-confidence motion indicates a clear acceptance of what this provincial government is doing with Bill 179, then I want to make it clear that, while I would accept almost any motion which says we should get rid of this bloody Tory government, I do not particularly accept that kind of thinking.

I am convinced that this government has lost the will to govern in any progressive, effective and democratic way. It has been reduced to a mishmash of Band-Aid measures, mostly short-term job creation in spite of the best efforts of the parliamentary assistant, with the addition of a liberal dose of bull roar to cover its own inadequacies in some of its advertising programs.

What this government has done would be funny if it were not for the tragedy of Bill 179. It seems to bother the parliamentary assistant when we raise it. I do not know of another measure that is so mean and vindictive as this government bill or that is being used so maliciously against people.

I have yet to hear a defence from anybody on the government side which clearly outlines how chopping the wages and removing the legally negotiated rights of workers, the 15 per cent of our people who are in the public sector, is going to do a job for the economy of Ontario; how removing some \$700 million or \$800 million in wages is going to help spur the purchasing which is essential in Ontario. I have difficulty understanding how that can be the main approach of this government. It just does not make sense to me.

It seems to me that in picking on the public servants this government looked for a scapegoat because it has no answers to the economic problems in Ontario. It is something like the old Roman circus; they figure if they hit somebody hard enough and meanly enough, all of the debate would be around that group of people and they could get by for another few months without doing anything positive to deal with the problems.

I have not heard anybody dispute the suggestion we have made—and I think it is a sound suggestion—that if we need more revenue, we should take a look at a surcharge on higher incomes in Ontario. Two per cent, based on last year's taxes, which may go down very quickly the way the government is running this economy into the ground, amounts to about \$290 million. But the wage reduction in the second year of the contract of those hospital workers from 11 to five per cent is the equivalent of about a 33 per cent increase in taxes for that

category of employee. How is that helpful or fair?

I would also like to know why we do not consider going into an immediate public housing project of 15,000 or 20,000 units. We would put more people to work with that than with anything the government has done in any of the temporary programs to date.

It also seems the continued cry we get from this government is that somehow or other the only answers are those we get from the Premier, that there is nothing it can do and that it does not want to discourage—and it says some of our suggestions might do so—investment and investment capital. I am getting a little tired of that line because it seems to me that one of the problems is the investment capital that has been coming into this province and this country of ours has done nothing but buy control.

We have seen what is happening with our branch plant economy. We have seen what happens when we do not have the decision-making power in this province. We have seen what happens to the jobs. We may bring them in temporarily, quite often only to serve the Canadian market, but we sure as blazes are not getting a chunk in terms of manufactured goods for the export market.

We certainly are not having any say in the permanency of those jobs because we have been seeing jobs going out of existence at a rate of more than 900 per day for some time now in Ontario. I cannot understand why this government does not take a look at some selective self-sufficiency and at some of the things we used to produce well in this province to see that we get back into those lines of endeavour.

I cannot understand why those projects, along with housing and some of the things that have an immediate effect in terms of employment, are not the answers of this government during the hard times we are in. What they are dealing with is better than 600,000 people in Ontario out of work as the official and the hidden unemployed.

I do not know what is happening to the Tory members on the other side if the House but I do know what is happening in my constituency office. The people of Ontario are in real trouble. It is because of the total lack of any real long-term job creation and any real restructuring of our economy which is probably more essential now than ever.

We are living in this province on the export of our raw materials and resources, not on the manufacturing sector which is going downhill,

and not in terms of the money coming in from interest or dividends because we also have a fantastic deficit there.

The day we no longer have the raw materials and natural resources that we can just shovel out of this province and this country the way we are doing now is the day we are really in trouble. The signals are all there now. Surely it is time we did a basic restructuring of our economy in Ontario. We just cannot continue with no answers or, as the Premier is telling us, "We can't do anything."

There is no question in my mind or the minds of my colleagues that the one thing which is necessary in Ontario is that we get rid of the Tories. God help us, though, what we do not want as an answer is the same thing, the same kind of policies we are getting from the federal Liberals.

This motion should pass—it will not, but it should—in the interest of the wellbeing of the people of Ontario.

Mr. Brandt: There he is, David. I told you he would be back.

Mr. Cooke: He comes in for a speech but he does not listen to anyone else.

Hon. Mr. Walker: Mr. Speaker, there seem to be some questions raised about my presence in this Legislature during the time this debate has been ensuing. I want to inform the members I was with the committee from Hawkesbury studying a very important issue in that town. It started at three o'clock and we had set the meeting long before this matter had been brought to the fore.

Mr. Cooke: What is the excuse for the rest of the cabinet?

Hon. Mr. Walker: The member should just pipe down for a second. If he keeps his lips tight, that will keep his mouth shut. I just want to suggest that to the member. Mr. Speaker, would you like him or me to speak?

The Acting Speaker (Mr. Cousens): The honourable members will give you the opportunity now.

Hon. Mr. Walker: Mr. Speaker, that is where the meeting was and I think the member for Prescott-Russell (Mr. Boudria) was appreciative of the meeting. We had an opportunity to discuss attempts to find solutions to an important problem that besets that community. Certainly, the union members and other members present at that meeting found it a useful discussion.

I would like to say we recognize there are undoubtedly problems and there is no one in

this room who does not have concern. There is no special, select group here that has any more concern than any other group for the problems besetting us. It is perplexing. There are difficult world problems. We recognize many of them are short-term while others are long-term problems. We have to address that aspect of it.

4:50 p.m.

But we also face important opportunities during this time to implement industrial and trade thrusts, and members of the resources development committee will appreciate the matters to which I am referring. We have had some discussions on our potential for industrial thrust, our potential for trade thrust and on the fact that policies are being developed.

A trade strategy is about to be unveiled that will give us the directions we intend to proceed in during the next decade. This trade strategy, which will probably be available within a matter of weeks, will allow members to appreciate that there can be an export-led recovery. Contrary to what one of the members seemed to raise—that there could not be an export-led recovery—we think this is the right direction to go. We think the industrial strategy and the industrial policies we will be developing in the next while, which will probably unfold very early in the new year, will likewise give us the kind of directions and targets we very much need to have.

In all of this process we cannot lose sight of the many things we have going for us. While all of us bemoan the fact of unemployment, which is a real scourge to us and really causes immense concern to all of us, the fact is that a lot of people are working here. Over four million people are working in the province. We have a gross provincial product that exceeded \$125,000 million last year.

We have tremendous productivity in this province. With 35 per cent of the population, as the honourable member noted, we nevertheless produced 38 per cent of the total national output, so our productivity is well developed, as is our industrial base. We have 14,500 industrial activities in the province, and those 14,500 are basically staying intact during this very difficult period of assault that they are undergoing.

We have a strong farming sector and a solid resource base. We have Canada's financial and commercial centre. We are a technological giant as a province. We are a very strong trading province. Something like 38 per cent of our gross provincial product is trade oriented. If that were compared to the United States or Japan, it would be in the nine per cent or 10 per

cent range, so we are a very strong trading nation, which proves that we are able to compete on the international stage.

In the last 12 months alone there have been 123 industrial activities—plants—that have either expanded or opened in the province, representing \$700 million worth of new capital investment.

During my own estimates, which are going on in the House and will continue tomorrow night, we have had an opportunity to share the directions in which our ministry is going in its attempt to see us through these very difficult times. We have outlined our current and future activities. We have talked about the attempts to increase investment, and particularly the fact that there are pools of investment abroad that can be generated here to create new jobs in the province, and we have set about a very determined policy to see that achieved. That kind of thing may not sit well with some of the members, but we intend it to be a process of reinvigoration of our economy, generating additional jobs, something on which we have been embarked for some time.

With respect to improving our industrial competitiveness, our international competitiveness, I have mentioned to members in the committee that it is our intention to be there first, to be there best and to be there with the cheapest product. In that respect it is important that we meet the needs of our technological society, that we have the best possible high tech available, and to that end we have provided six technology centres. Some members will have had invitations to attend the opening of two of them in the next two or three weeks. One was opened back in October and the other three will be opened in January or in the first week of February.

Those six technology centres will allow firms in Ontario—and 90 per cent of the industry of Ontario is touched by at least one of these centres—to make use of these facilities as their own research and development facilities, to provide them with a way of getting on that cutting edge of technological innovation that I think is so important to our firms if they are to continue to be the world leaders they have been in the past.

So with that kind of thing; with the overall IDEA Corp., which will offer a future in research and will allow for pure research and applied research to be developed; with the Ontario Research Foundation continuing the phenomenal achievements it has had over the years—and if you had been in the committee in the last

week, Mr. Speaker, you would have appreciated that members of all parties were able to sing the praises of the Ontario Research Foundation and what it had achieved on the international stage and what it had achieved for Ontario industry. It is a wonderful research facility for the kinds of small industry that we are known for in Ontario, small industries that do not have their own capacities.

Such is the approach we are taking to improving our international competitiveness with the technology centres in microelectronics, CAD/CAM, robotics, auto parts, machinery, farm machinery, food processing, wood products and mining. We will allow that cutting edge to be achieved with the six centres we are establishing.

We intend to expand our markets for Ontario products. In that respect we are improving our Canadian sourcing by governments and by multinationals with some real success. In terms of our own government alone, we are making sure that our government and other governments are sourcing here in Canada. We are establishing a shop Canadian program, which some of the members will be seeing unfolded in the not too distant weeks.

In addition to that, we have just completed a series of export seminars. I mentioned in the House three weeks ago that we were beginning the export seminars. Never have we met with the kind of success we have had in these export seminars. I think all members would agree that what has been achieved in these five export seminars held throughout the province is amazing.

It is amazing. We have been able to touch on probably 1,000 potential new exporters. There are only 3,000 exporters in the province now. In these five seminars, which I was fortunate enough to be a part of and for which we called in all of our officers from abroad to meet one on one with potential exporters, we feel we have identified upwards of 1,000 new people. That may mean 500 to 600 brand new people who have never exported in the past. We think we are now launched on a process that will see the export-led recovery become a possibility.

There is no question it is in exports that we have our greatest potential. We have established the target of \$60 billion worth of exports from Ontario in five years. We are currently over the \$30-billion mark and intend to double that to \$60 billion in five years. That is a noble goal, one we think we can achieve. We feel if we set anything less than that we would not be

allowing our province to achieve the kind of potential it can.

We think we can hit the \$60 billion. When we hit the \$60 billion for export in this province, that will translate into the jobs that we so much want to have. That in itself will make the difference in many respects in terms of jobs. I would say that will put us purely on the right track.

We are on the right track. We do know where we are going. We are satisfied we have the right direction. We want members to express their confidence. We will be guided by the opinion of the House as it relates to the confidence members have in our ability to achieve our goals and objectives. We thank members for the kind of confidence they express in us.

The Acting Speaker: Does any other member wish to participate in this debate? I thought there might be someone from this party on my immediate left, from the opposition.

Mr. Foulds: Mr. Speaker, on a point of order: Unfortunately, there has been no agreement about timing or rotation for the speeches.

The Acting Speaker: I am open to your guidance.

Mr. Foulds: I think there are a couple of members who wish to speak. We ourselves have a difficulty about accommodating everyone in terms of time. I do not have any motion or agreement at this point.

The Acting Speaker: If there is an informal arrangement, I would be pleased to help. Meanwhile, I was looking to see if someone from the Leader of the Opposition's party wanted to speak, rather than let them miss that opportunity; we can come back to it.

Mr. Stokes: All one has to do is catch the Speaker's eye and I think I have your eye, Mr. Speaker. I want to speak to this motion because I, like all other members who care about things that go on in their constituency, am concerned about the state of the economy in Ontario, and indeed throughout all of Canada, to say nothing of the world economic recession.

I find it very humorous when ministers of the crown are asked what they are going to do in their fields of competence and expertise. They always try to transfer some of the responsibility that is theirs, to others, and in the process transfer the blame.

5 p.m.

We have heard from the member for Mississauga North (Mr. Jones), extolling the

virtues of many of the programs that have been introduced in a piecemeal and Band-Aid approach to what is obviously a very serious economic problem, a problem that has dire social consequences for a good many people in the province. The member who sponsored this resolution, the member for Rainy River, my colleague the member for Windsor-Riverside, and most others have been very general in their comments concerning the sins of commission and omission that have given rise to this motion of no confidence.

I want to be very specific in my criticism of the government's approach to what is obviously a very serious economic and social malaise that has befallen literally everybody in the province to some extent, but, more particularly, those people numbering in excess of 500,000 who have no prospects of employment and who are looking to a very bleak winter and for whom the prospects of employment over the next year or two are very dismal indeed.

Those members who have spoken from the government benches have indicated they have very specific strategies in their attempts to get the economy rolling again. We are in the midst of the estimates for the Ministry of Industry and Trade, and the minister just spoke of some of the things his ministry is attempting to do to get the economy going again and to address the problem of import replacement with his battery of high-tech centres that will try to tell the corporate or manufacturing sector how we can maximize our efforts to become self-sufficient in a good many areas.

Members have heard my colleagues from Sudbury talk about the problem there and the fact that we have a very great need for a mining equipment industry, because in excess of 70 per cent of all our mining machinery is manufactured elsewhere. That is a pretty sad commentary for a province and, indeed, a country. We are about number three in terms of world exports and yet we are way down the list in terms of our ability to satisfy our domestic needs in regard to mining machinery.

Let me be more specific than that. The member for Mississauga North, in his present incarnation, is supposed to be here in the stead of the provincial Treasurer. Not too many months ago, as we all know, he was responsible for the Ontario youth secretariat under the aegis of the Provincial Secretary for Social Development (Mrs. Birch). One can hardly pick up a set of estimates today without seeing a small, relatively insignificant item called Experience

'82. Because I represent an area of the province where we do not have too many options left open to us if we cannot increase our activity in the primary resource sector, like forestry or mining or tourism on a seasonal basis, we have to take advantage of whatever opportunities are open to us.

Needless to say, I made my constituents, who were hurting, aware of the fact that there was such an entity as Experience '82. One would have thought that, among the priorities in implementing the Experience '82 program, the government would try to maximize the benefits accruing to those in need under the auspices of that program, and would look very kindly on those areas where it could be best justified. I want to refer to two instances just to indicate what I am talking about.

I had a request from a small community called Allan Water Bridge, on the north line of the Canadian National Railway, that has the misfortune of being completely isolated for purposes of ground transportation. The people used to have the Supercontinental going by their doors once a day each way. What happened? Via Rail. They now get a little jitney running by their doors three times a week. For everyone requiring essential services, three times a week, even in Dogpatch days, is not a very reliable service. So we made a very modest request, under the Experience '82 program, for between \$6,000 and \$8,000 to upgrade a winter snowmobile trail generally paralleling the CNR main line from Allan Water Bridge over to Savant Lake.

We got a response from the Provincial Secretary for Social Development saying, "This comes under the purview of the Minister of Natural Resources and I am sure he will respond." We got another response from the parliamentary assistant, the member for Brantford (Mr. Gillies), saying, "I am sure the appropriate minister will respond." The appropriate minister did respond and said the program was oversubscribed in the allocation of funds dedicated to the Sioux Lookout district office and that it would be unlikely we would be able to qualify.

5:10 p.m.

I have since written to the Minister of Northern Affairs, whose ministry is the catch-all for anything. If you fall between any one of a half a dozen stools, the last resort is—

Mr. Conway: Governor Bernier.

Mr. Stokes: Yes. I do not know what his response will be. My purpose in relating this

story is that, looking at the criteria for trails under the Experience '82 program, the purpose is to help snowmobilers who want some fun out in the cold and frozen winter. A snowmobile club in Muskoka or wherever else they operate snowmobiles in the province, can qualify. There are a lot of people who like that kind of winter outing. They need only apply to get assistance under Experience '82; but not if they need a road for very basic survival.

I am not talking about a road in the traditional sense. I am talking about a snowmobile trail so people can bring in gasoline, fuel oil, groceries and all of the things people require for sustenance. Can these people come up with the money? All they asked for was \$6,000 to \$8,000, but they were told the thing was oversubscribed.

Let me cite another instance of the overall economic strategy those people over there are always bragging about. Another request came in, from the most northerly community in the province, Fort Severn on the shores of Hudson Bay, where they have to travel several miles just to collect wood for fuel to keep themselves warm. It costs \$6.15 a gallon for gasoline to propel their snowmobiles.

The Minister of Industry and Trade nods his head in assent, because he was there within the last year and he knows whereof I speak.

We now have a task force looking into the high cost of transportation in the remote north, the high cost of literally everything which has to do with economic survival in the far north. They, too, asked for a little assistance under Experience '82. They said they could have used 25 jobs for whatever period Experience '82 covered. But they thought they would be modest and they asked for seven for very legitimate tasks that had to be performed in the most barren and northerly community in the province. The ministry responsible, in its usual magnanimous fashion, said: "Your needs may be 25; your request was seven. We will give you two."

What kind of response is that from a government in the most prosperous province in the most affluent country on the face of the earth to a very modest request for seasonal employment in a community where the unemployment rate runs between 85 and 90 per cent? The government cannot come up with sufficient resources to provide seven winter jobs for a period of 14 to 16 weeks. What kind of a commitment is that to an economic strategy? It is not even a temporary, Band-Aid response to what is a very serious, legitimate and honest request for funds.

The member for Mississauga North told us about what they were doing to provide temporary jobs in the resource sector. Well, I am not a very cynical person and I am not a sceptical person, but I see the needs in the forestry resource sector alone, where we are going to have major saw mills closing down in the next five years. And maybe in 15 to 20 years we will be losing some of the major mills because of our inability to husband and manage a resource that is so important to everybody in this province. It is, indeed, important to everybody in this great country of ours, but in particular in the area of the province where I come from, northwestern Ontario, where 75 per cent of all the economic activity is directly or indirectly related to the forest industry.

I see the puny and piddling little approach this government has brought to forest management at a time when there is a total commitment to forest management agreements in order to right all of the wrongs of the next 40 or 50 years because of our sins of omission, commission and the mismanagement of our forestry resources.

One of the most dedicated foresters in the employ of the Ministry of Natural Resources was just vindicated for taking the same approach to forest management as I am trying to get this government to take. He was just reinstated. Members have heard of Mr. MacAlpine. The Crown Employees Grievance Settlement Board brought down its decision last Friday afternoon. Their recommendation is that he be reinstated forthwith so that he and all dedicated foresters in Ontario can get on with the job of forest management.

Where is the commitment? I see no real commitment as a result of the Armson report, brought down in 1976, which more or less regurgitated what the Ontario Economic Council had reported in 1970; what the Hedlin-Menzies report had reported a year earlier; what the Brodie report had said in 1968; and what the Kennedy report had said in 1948.

Here is an ideal opportunity, and it is really the last opportunity that is available to this province and this government after 40 years in office. This is really the last hope of us ever recovering what we have lost because of the incompetence, the mismanagement and the indifference that have prevailed in the forest industry over the last 40 to 50 years. They have an opportunity to do that. But anything they have done with regard to the implementation of forest management agreements, their patchwork and Band-Aid approach under these

so-called short-term employment schemes, is just a very brief, a very halting and a very inadequate step towards coming to grips with the major problem of husbanding and managing our resources.

I have been handed a note by one of my colleagues saying that I am not to speak for too long. There are many other things I could say, but I thought I should just highlight the reasons that in my considered opinion this no-confidence motion deserves my support, and it will get it.

5:20 p.m.

Mr. Brandt: Mr. Speaker, I welcome the opportunity to join in this debate, not because I agree with the direction of the no-confidence motion, but because I believe there is another dimension to the issue of the Ontario economy that has to be discussed in this Legislature and put forth in response to some of the comments made by the members opposite.

I do not believe there is anyone in this House who particularly disagrees with the seriousness of the present economy, the problems of unemployment and the difficulties that we are all facing in our province today. I join with the members opposite in my concern for that very real issue, because there is nothing more devastating or more debilitating in one's life than the problem of not having the opportunity to work in a meaningful way or to have a job or position to go to in order to raise one's family and to pay for one's daily requirements.

However, when comments are made in this House, they should be taken into consideration against the more global view and larger backdrop of some of the problems that face not only our national economy but the world economy as well. It is not by way of excuse that I say this, but by way of explanation. Ontario is a trading province and, probably more than any other jurisdiction in the world, is dependent upon trade with our international partners for its economic success. We are dependent upon a viable and buoyant economy in other jurisdictions to keep up our levels of employment and our levels of economic activity.

While all these very negative remarks have been made from some of those who are supporting the no-confidence motion, it is interesting to look at some of the comparative statistics with other jurisdictions. It is interesting to look at what is happening elsewhere. As an example, those members who have ridings in Windsor should take a look right across the river at the unemployment rate in Detroit. In my own jurisdiction, I look across the river at the

unemployment rate of Port Huron, or to other neighbouring states in the United States, or to the east of us, in Quebec.

One of the things that one finds is that the level of unemployment, although prohibitively high in this province, is even more devastating in many of the other jurisdictions that are based on an economy and an industrial infrastructure that is very comparable to our own.

That would suggest one thing to me. Although one need not be satisfied with extremely high levels of unemployment, when one compares what we are doing here in this province with what is going on elsewhere, one has to come to the conclusion that Ontario is doing something right. We are doing such a great deal better than so many other places.

The opposition suggests that government has all of the answers. I guess that is perhaps why the members on this side of the House keep getting re-elected and there are fewer members on the other side of the House. That is because we do not set up the government as having the answers to all of the world's problems. I look to the federal jurisdiction as an example. When the suggestion is made that all we need to cure all the problems of unemployment and the economic downturn that has occurred in Ontario is a new budget, then I would ask them to recall what has been happening at the Ottawa jurisdiction.

In that particular case, they have brought in three budgets in nine months. What they have done—

Mr. Martel: The same as Ontario: they have done nothing.

Mr. Brandt: What they have done is nothing. My friend is right. I thank him very much for that assistance. But I will tell him what else they have done. They have created an atmosphere of distrust in the business community. They have created a lack of confidence in the business community. There is absolutely no sense of long-term planning at that level of government, as a direct result of the constant changes, the alterations and the modifications they have been making time and time again, and as a direct result of not knowing where they are going. Quite frankly, I believe it is a sign of weakness and perhaps a sign of uncertainty on the part of a government when it is forced to bring in so many budgets over so short a period of time.

Real, meaningful, long-term jobs are going to be created, not in the public sector but in the private sector. Quite obviously, a limited num-

ber of jobs can be created by government. The members of the third party would suggest it could be done through some massive infusion of government funding; that is exactly what the members have been talking about.

Mr. Martel: You are being silly.

Mr. Brandt: The member for Sudbury East (Mr. Martel) interjects at this point to suggest that is not what they have been proposing to the government. They have been proposing, on the one hand, massive infusions of government money, with no increase in taxes, of course, other than to the very rich—and I would like them to identify where those people are today—and, on the other hand, a huge increase in the deficit. That is what the member has been talking about. He has no other solution to the problem but that.

Let me suggest to the member that an increase in the deficit has been tried by another level of government. I do not have to tell him; I will leave to his own imagination what level of government that might happen to be. But another level of government did attempt—

Mr. Bradley: Who bought Suncor?

Mr. J. A. Reed: You spent your way into prosperity.

The Acting Speaker: Order.

Mr. Brandt: Another level of government has attempted to spend itself out of the economic problems it has and, with a deficit now reaching some \$23 billion or \$24 billion, all it has done is create more problems for the Canadian economy.

Mr. Bradley: I cannot believe it. The member is actually blaming the feds when something goes wrong.

The Acting Speaker: Order.

Mr. Brandt: I am only saying that the answer to the economic problems in any jurisdiction, whether it be provincial or federal, is not simply, in some inexcusable way, to increase the deficit, which the member well knows has happened at the federal level.

Ontario has done a great deal to develop as many jobs as is reasonable and possible in the economic climate of the day. Government cannot do everything; I want to make it very clear I support that philosophy in terms of a government approach to our present economy. But Ontario has created a substantial number of short-term and long-term jobs, which the Minister of Industry and Trade spoke of earlier in his remarks, and I will not repeat them.

I also heard some of the concerns expressed

by the member for Waterloo North (Mr. Epp) earlier during question period and by the member for York South (Mr. Rae) with respect to the involvement of municipalities in this whole question of job creation.

I want to say to all members that there are three levels of government, and they all have an obligation to do, within the limitations of their resources, what they are able to do in the economic climate we have today. To suggest there is something inappropriate about raising property taxes and there is something quite appropriate about raising other taxes or raising deficits, I really believe is hypocrisy of the first order.

If that is what the leader of the third party was suggesting in his remarks, I can tell him that all levels of government are going to have to share in the problems we are facing at this time, whether they be at the municipal, provincial or federal level.

My riding in Sarnia, right at the moment, is undergoing an industrial expansion of some \$1 billion. I want to tell members—and I say this with some real concern—that \$1 billion, not more than a few months ago, was something in excess of \$2 billion. About \$1 billion worth of projects have been cancelled as a direct result of a decision that was made in Ottawa under the the national energy program.

5:30 p.m.

If members talk to any of the leading industrialists or any of the major industries in my jurisdiction, they will tell them that the national energy program, more than any other single move that has been made in this entire country, has removed from my jurisdiction \$1 billion worth of additional expansion, which obviously would impact very substantially on the whole province.

Mr. Conway: So you bought Suncor to piggy-back on it.

The Acting Speaker: Order.

Mr. Brandt: The figure for Suncor is not even included in the \$1 billion I just talked about. I knew the member would be pleased to hear that.

Mr. Conway: The stated aim of the Suncor purchase was to take advantage of the national energy program.

Mr. Brandt: We had some modest agreement earlier with respect to time. I am quite prepared to adhere to that agreement so the leaders will have an opportunity to make their remarks, but I would just like to say that some of the most

negative problems Ontario has to deal with are problems that have been precipitated by the member's colleagues at the federal level in Ottawa.

Mr. Bradley: Blame the feds.

Mr. Brandt: That is absolutely true.

I am glad the member for Waterloo North is here, because I mentioned his name earlier. I want to tell the member one more time—

Mr. Conway: Who stopped Joe Clark? Who eviscerated Joe Clark?

Hon. Miss Stephenson: Bob Rae.

Mr. Conway: William Davis.

Mr. Brandt: Are you saying Joe Clark is responsible for the national energy program? Lord help us, it was that chap Lalonde, who has now come along on that white horse of his.

Mr. Bradley: You supported Lalonde.

Mr. Brandt: He has now come along to save us economically by being given the very sensitive portfolio of the Minister of Finance. Can one imagine someone who has greater training? He has totally fractured the petrochemical industry in this country of ours. Now they have given him the economy of the entire country to put together in some miraculous fashion.

I rest my case at this point other than to say that, out of conviction and a recognition of the realities of the economy of the province at the present time, I am going to vote against the motion of no confidence.

Mr. Rae: Mr. Speaker, in rising to speak in support of this motion, I simply want to indicate that the inactivity and the sustained inertia on the part of the provincial government is as responsible for the situation in which we find ourselves, as a province and as a people, as is the inactivity, incompetence and mismanagement by the Liberal government in Ottawa.

It is clear to all of us that the provincial government, through its spokesmen, the Treasurer and the Premier, has taken the view that the only thing Ontario can do, faced with the number of unemployed here at the present time, is to respond with a series of extremely half-hearted, minimal measures which will have the impact of providing jobs for a minuscule proportion of the people who are currently unemployed.

It is clear to all of us that it simply will not do for the Premier or the Treasurer to get up in this House, as they have done on many occasions, and say, as the member for Sarnia (Mr. Brandt)

repeated again today, that the real problem we are facing in Ontario is a collapse in markets.

It is not true to say that the recession we are experiencing today in Ontario comes simply as a result of changes and difficulties in world conditions. Let me give an account of the closure of two plants in my own riding. The member for Lake Nipigon (Mr. Stokes) spoke effectively of problems he faces in his constituency; I want to describe briefly problems faced in two plants in my own riding, those of CCM and Camco.

CCM has been making bicycles in this province and country for decades and has been providing employment in the township of Weston, and now in the borough of York, for many years. It has been producing a product which, given the expansion of the domestic market and the impact of higher gas prices and the increasing emphasis on recreational activities, should have been competitive and which should have been able to rely, not on some abstract market overseas but very much on a market right here in Ontario and Canada. But because of mismanagement, a series of investment decisions and a lack of co-ordination and leadership, that company is now facing receivership and bankruptcy.

The second industry I mentioned, Camco, the old Moffat firm, which has been producing appliances and ranges in Ontario for literally decades, since well before the Second World War, now finds itself facing a very serious downturn in employment with a permanent loss of jobs, permanent layoffs in Toronto and the shifting of many workers to Hamilton. The so-called rationalization of this industry has produced a dramatic loss of jobs.

Again this has nothing to do with the collapse of markets in the United States or in South America, or with changing world conditions in Europe. This has nothing to do with any of those things. This has to do with the fact that the Conservative government of Ontario has failed to provide leadership; the fact that foreign ownership in the appliance field has created structural problems in these industries which have tended to leave them at a tremendous competitive disadvantage; that there has not been the kind of investment and marketing in Canada and Ontario that would provide jobs for these people; that these industries have been allowed to suffer and degenerate in a structural sense because of high import penetration in the entire manufacturing sector. It is because this government has sat back and said, "We are going to let the free market operate."

The Minister of Industry and Trade thinks

foreign investment is such a good thing that when somebody on this side of the House suggested \$500 million for some 11,000 units might raise some questions in the mind of a reasonable person with respect to foreign investment, he berated us. He said, "No, no; all foreign investment is a good thing." He went up to the point of saying the \$500-million purchase was a good deal when, just two weeks prior to that time, his colleague who sits just one chair away from him said he thought that \$270 million was a good price.

Hon. Mr. Walker: The member should not be so critical of people who are making investments.

Mr. Rae: The minister is saying it again. He is still defending the \$500-million purchase. I say to the minister, who is speaking from his seat and is making as much sense as he does when he is standing, his own credibility as an apologist and spokesman for foreign investment in this province is thrown into question.

If he thinks \$500 million is a good deal when it does not create a new employment opportunity for even one worker in Ontario, when its only impact will be to increase rents and to decrease the security of tenure for tenants in 11,000 units, then I must say to the minister, whenever he speaks about the benefits of foreign investment as being the basic position of his party and the basic thrust of government policy, we on this side of the House, when faced with that kind of abuse, are entitled to question the common sense of the minister.

Mr. Speaker, I want to close, because I had an agreement with the Leader of the Opposition to allow him to wind up debate on the motion, which was moved by a member of his party. I want to indicate that we do not have confidence in this government. I do not think the people of Ontario have confidence in this government. I do not think the business sector, the labour sector or the people of Ontario have any confidence in this government. I think it is up to us. We have an obligation to demonstrate that lack of confidence by supporting this motion this evening.

Mr. Peterson: Mr. Speaker, I have only a limited amount of time, which I regret in many ways, because there were a number of specific points made by various members which I would like to discuss. However, given the limited time, I want as best I can in the next few minutes to impress upon the government both our frustration and our seriousness.

5:40 p.m.

Our frustration is born out of living in a House for years and years now, some of us for much longer than others, dominated by people on the other side for some 40 years, with a very limited number of weapons available to us. There are very few things we can do. Our principal armour is rhetoric and of course a few procedural devices we can employ in opposition from time to time.

Probably the most serious device, if one understands the history of the British Parliament, is the use of the no-confidence motion. That says we do not have confidence in the way this government is operating. Of course, in the halcyon days of British parliamentary democracy there even used to be occasions when the odd free thinking progressive member of the government would actually be persuaded by the logic of the case and come and vote with the opposition.

We know the inevitability of the result tonight. We know what will happen. But I hope we were able today, by this motion, to impress upon the government the seriousness of our feelings about this situation.

I said earlier that these people have been in power for 38 or 39 years. Many of the problems we have today are directly their fault. There is no way they can escape the fact that they have been the principal administration, in spite of the operative philosophy of this Premier, this Treasurer and this government, which is to practice what has been called by others the politics of anaesthesia, the politics of blaming someone else for our responsibilities, trying to persuade the average voter in Ontario that Ontario politics is so insignificant, so trivial, that it does not deserve their time. Then they go along and have complete freedom to blame someone else for their problems.

That is the way they like it and I hope over the next couple of years we can persuade people that we do have some influence over our own destiny here in Ontario. Good God, we have a budget—the gross national product, as the Minister of Industry and Trade said in a speech today, is \$125 billion in this province—we have a budget of \$23 billion or \$24 billion. That has nothing to do with revenues, they don't match the expenditures. Nevertheless, we have a province that is bigger and richer and more well endowed than most countries in the world.

Yet we are happy, as a matter of government policy, to say there is nothing we can do. I do not accept it and I think my friends in the New Democratic Party do not accept it either. That

is why we have to express our frustration in the strongest and most forceful way we can in the circumstances.

I just want to add one note about the debate, but I regret that I saw this retreat into the old rhetoric by my friends across the way who said: "Just leave it to the free market. They could do it and we are going to create strong, secure jobs in the marketplace." My friends to the left do the same thing. Even though they agree with the intent of this motion, it grates the philosophical socks of the member for Hamilton East (Mr. Mackenzie) to support this, because he would rather discuss the philosophy of 50 or 100 years ago.

I would say to a progressive mind, to a thinking mind today, our problems have to be addressed on a nonideological basis. I suggest that the retreats into the past, dredging up what one of their forebears said 20 or 30 years ago and just opposing on philosophical grounds, very frankly is not the solution to the very serious problems we have today.

It is going to require pragmatism, it is going to require progressive thinking and it is going to require a very basic and real understanding of the problems we face. I have yet to see what I would call an adequate dealing with those kinds of problems.

The debate is not going to be whether the government owns it, or whether the government does not own it. That is the level of debate sometimes in these kinds of discussions. The discussion is not going to be whether there are rules or no rules; the discussion has to be about the right rule, the right role for government.

My friends across the House are profoundly embarrassed, because they know the government is involved in a number of things it should not be involved in, i.e. the famous Suncor purchase. But one of the reasons they hear about that from us is that we think it is such a total misallocation of government funds and government energy when there are so many more important and human needs that have to be served, when I see statistics of 532,000 unemployed and when I know of 192,000 young people unemployed.

But to speak in even more personal terms, I am sure I share with every member of this House the experience day after day in my constituency office of seeing people come to me for help, people formerly filled with prospects, people who formerly would never have thought they would have to go to their member of

Parliament for a job reference, for a job in a liquor store or a job in some provincial agency.

Unemployment has cut through to the bone now. The chronically unemployed: we are away past that. We are eating away at the productive sector of our economy, and not only are we depriving them of the capacity to earn an independent living but we are robbing them of their human dignity at the same time.

So we have not only a massive economic problem but also a massive social problem in this province. And our response is not good enough; it is not adequate. I would like to have the time to go into detail, but if it had not been for the restraint program, the Treasurer would have been profoundly more embarrassed than he is already. His budgetary deficit would have been very much larger. He is using the restraint program only to get himself out of the disastrous predictions he made last May when he brought in his budget. That is a reality, and without it he would have even more problems as he goes to worship at the altar of Standard and Poor or Moody's in New York.

Oh, he has given back a couple hundred million here and there, but the reality is that this money which he is taking from the contracts of the public servants is going towards balancing his budget. If we look at his budget in any aspect whatsoever, it was the worst budget in the history of this province. It could not have been more inaccurate. I look at it daily and see the mistakes that were made. Of course, in his humility he stands up and says: "No one is perfect. I made a few mistakes." But it is so bad that it needs fundamental reconstruction. It needs to be looked at in all its details in order to address in a significant way the problems we have.

Mr. Speaker, I say to you in closing that this is the only weapon we have to show our displeasure. I hope we have persuaded you at least that the problems are serious and severe. As my friend the member for Rainy River said, this matter has been brought up 22 or 23 times in the House and we will continue to bring it up even if it is boring, even if it is not well put, even if some people are not interested in it. But this is the issue in this province and we will continue to fight for jobs and economic activity here in our province.

5:54 p.m.

The House divided on Mr. T. P. Reid's motion, which was negated on the following vote:

Ayes

Allen, Boudria, Bradley, Breithaupt, Bryden, Cassidy, Charlton, Conway, Cooke, Copps, Cunningham, Eakins, Edighoffer, Elston, Epp, Foulds, Grande, Haggerty, Johnston, R. F., Kerrio, Laughren, Lupusella;

Mackenzie, Martel, McClellan, McEwen, McGuigan, McKessock, Miller, G. I., Newman, Nixon, O'Neil, Peterson, Philip, Rae, Reed, J. A., Reid, T. P., Riddell, Ruprecht, Ruston, Samis, Sargent, Spensieri, Stokes, Swart, Sweeney, Van Horne, Wildman, Worton, Wrye.

Nays

Andrewes, Ashe, Baetz, Barlow, Bennett, Bernier, Birch, Brandt, Cousens, Cureatz, Davis,

Dean, Drea, Eaton, Elgie, Eves, Fish, Gillies, Gordon, Gregory, Grossman, Havrot, Henderson, Hennessy, Hodgson, Johnson, J. M., Jones, Kells, Kennedy, Kerr, Kolyn, Lane, Leluk;

MacQuarrie, McCaffrey, McCague, McLean, McMurtry, McNeil, Miller, F. S., Mitchell, Norton, Piché, Pollock, Ramsay, Robinson, Rotenberg, Runciman, Scrivener, Sheppard, Shymko, Snow, Stephenson, B. M., Sterling, Stevenson, K. R., Taylor, G. W., Taylor, J. A., Timbrell, Treleaven, Villeneuve, Walker, Watson, Welch, Wells, Williams, Wiseman, Yakabuski.

Ayes 50; nays 67.

The House recessed at 6 p.m.

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No. 157

Ontario LEGISLATIVE ASSEMBLY

Legislature of Ontario Debates

Official Report (Hansard)



Second Session, Thirty-Second Parliament

Monday, November 29, 1982

Evening Sitting

Speaker: Honourable John M. Turner

Clerk: Roderick Lewis, QC

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LEGISLATURE OF ONTARIO

Monday, November 29, 1982

The House resumed at 8 p.m.
House in committee of supply.

ESTIMATES, MINISTRY OF AGRICULTURE AND FOOD (continued)

Mr. Chairman: If memory serves me correctly, on Friday we concluded with the opening statement of the Minister of Agriculture and Food (Mr. Timbrell). I will now recognize the member for Huron-Middlesex.

Mr. Kerrio: Now you are going to hear it.

Mr. Ruston: Now you are going to hear from the soil.

Mr. Riddell: Mr. Chairman, I am a little surprised that the House is not full of members and the galleries not full of people, because I cannot think of anything more important than the production of food in this province.

Mr. Nixon: There is one of them actually leaving.

Mr. Riddell: However, as time progresses maybe we will see more members wandering into the Legislature; particularly if they are tuned into the intercom system and hear the remarks that are being made, not only by the member for Huron-Middlesex, but by the member for Welland-Thorold (Mr. Swart).

I am really looking forward to the contribution of the member for Welland-Thorold as the new agriculture critic for the New Democratic Party. He is a gentleman for whom I have a great deal of respect because he is one of the hard-working members in this Legislature.

Mr. Nixon: Right.

Mr. Riddell: I know that he is going to fill the shoes of his predecessor, the former member for York South, who had to relinquish his seat to the new leader of his party.

Mr. Ruston: Even if there are no NDP members here but him.

Mr. Riddell: I do want to congratulate the minister on his first attempt to explain the operations and programs of his ministry. I would not have thought it would take some two hours and more to give us a detailed outline of the workings of his ministry.

Hon. Mr. Timbrell: It did not. It took an hour and 50 minutes.

Mr. Riddell: I was somewhat amused last Friday when, at about 10 minutes to one, I rose in my place and asked the Chairman if he could possibly see one of the clock so that the members who were sitting in the House would have an opportunity to go to that great Canadian unity event, the Grey Cup luncheon, sponsored by this government. I thought the minister would render his approval to that kind of a decision. But he jumped up and said, "Mr. Chairman, I had hoped you might give me an extension of time so I could complete my remarks."

I wondered why he was doing that. In the many times I had sat in the Legislature, I had never before heard a minister ask for an extension of time so that he could complete his opening statement. I came to the conclusion that he wanted his remarks to be contained in one copy of Hansard; and chances are he will send out that Hansard containing two hours of comments to the many potential delegates throughout the province—

Mr. Ruston: He had 10 of them down there in Windsor.

Mr. Riddell: —who will read his comments and feel that he is doing a tremendous job for the farmers of this province. So they will come to the leadership convention, whenever it is called, and in all probability the minister will be able to garner a great deal of their support.

I cannot think of any other reason for him wanting his comments to be contained in one copy of Hansard. If the minister is sending copies of Hansard throughout the province, how many does he intend to send out? And I want to know how much he anticipates this garnering of support will cost the taxpayers of Ontario?

I am congratulating the minister on his opening statement; I do not know that I am congratulating him because I think he has done such wonderful work for the farmers of Ontario. I question that. I know he is going around the province and opening up processing plants, and he is talking about devoting more money to

processing plants and things of that nature; but we will have a better assessment of his operations as the Minister of Agriculture and Food when the spring comes and the farmers apply for their operating capital, and when they are told that they will not be able to get it because they have not been able to show a financial statement in the last two years which shows any kind of a profit.

They are not going to be able to do it with the prices of commodities where they are and the input costs, including the high interest rates, where they are. They cannot do it. Before I came to Toronto this morning, I had to see a bank manager because he is calling a loan on a farmer who has 38 per cent equity in his business. The only indebtedness he has to the bank is \$25,000 in operating capital and the bank called his note.

That is just one of many examples of the tough line the bankers are taking with the farmers. We have seen but the tip of the iceberg yet. I will have more to say about—

Mr. Kerrio: The minister is ignoring your remarks. He is not interested in the plight of the farmers.

Mr. Riddell: He seems to be busy signing something. I was amused when I was attending a function here not too long ago. The young chap who was sitting beside me said, "Mr. Riddell, do you know Mr. Timbrell?" I said that I guess I should, since he is the Minister of Agriculture and Food and I am the critic of that ministry. The young chap replied, "Well, when I graduated from a certain college not too long ago, I received a very nice letter of congratulations from the minister."

I have to assume that the minister is doing his job. We know that he is not only going to try to do a good job as the Minister of Agriculture and Food, but he is also paving the way for greater heights. Therefore, I would have to assume—he can tell me if I am right or wrong—that he has sent a letter out to every graduate of every college that comes under his jurisdiction.

There is only one reason for that kind of expenditure. He and I both know what the reason is. I guess that is what is known as the game of politics, our great democratic system. I would hark back to the words of Winston Churchill when he said, "Democracy is far from perfect, but it is the best system that has been devised to the present time."

When the minister responds to my remarks, he can give me his estimate of what it costs to send the letters to all the graduates of the

agricultural colleges throughout the province. Dear knows how many other letters and what other propaganda he is sending out for only one reason. If it was in his riding, I could understand it. When it is across the whole of Ontario, he is doing it for only one reason.

8:10 p.m.

As a matter of fact, the very fact that he requested of the Premier (Mr. Davis) the Ministry of Agriculture and Food portfolio had to tell me one thing. Up to that time, the minister had not been the least bit interested in agriculture. He was doing a job in Health; he was doing a job in Energy; but he went up to his great friend, the Premier—and I understand the two of them are pretty close—and said, "Billy, I would dearly love to get the Agriculture and Food portfolio." The Premier probably said, "Well, Dennis, why are you so interested in it?" The minister said: "Well, Mr. Davis, some time you are probably going to think of retirement. There is going to be a leadership convention and I would dearly love to be involved in that convention."

My understanding is that the Premier sent a message to this minister, to the current Minister of Health (Mr. Grossman), to the Minister of Intergovernmental Affairs (Mr. Wells) and to whoever else is interested in running, and he made the message clear, as I understand it, that he has no intention of stepping down so members should not waste their time trying to convince people of their leadership aspirations.

Let me get on now. A substantial part of Ontario's farm industry is in serious economic difficulty, and in particular the beginning and low-equity farmers. Ontario farm bankruptcies have increased dramatically from 64 in 1979, to 122 in 1980, to 140 in 1981, and at present they stand at 145 for the first 10 months of this year.

These numbers represent only those farmers who were forced over the edge in formal bankruptcy proceedings; they do not include the larger number of farmers who got out of the business while they still had some equity remaining. The Ontario Federation of Agriculture has calculated this ratio at 10 to one. I wonder how close the federation is when it says that for every farm bankruptcy there are 10 other farmers who sold before they reached that stage, who sold when they still had some equity left in the business.

The agricultural industry outlook for this year is cause for concern and perhaps even alarm, with a forecast that net farm incomes will decline 23.5 per cent—again, the greatest decline in Canada. Our farmers need financial subsidy

programs because they are more vulnerable to fluctuating interest rates than most other business groups in our society. Farm operations have a low revenue-to-asset ratio, which means that on the one hand they must invest and borrow heavily for their farm operations, but on the other hand they receive low returns for the commodities produced. Chase Econometrics Canada has calculated that an increase of one percentage point in the prime interest rate reduces the total net income of farmers by \$50 million to \$60 million.

This government lacks any real commitment to the agricultural industry in the province. In fact, agricultural budgetary expenditures have declined to 1.1 per cent of total budgetary expenditures, down from 1.3 per cent last year and 1.83 per cent in 1971. That figure includes the property tax rebates. These never should be charged; the minister has announced changes and I am going to have more to say about that a little later. It includes the crop insurance premiums, which are paid back by the federal government. It includes the tile drainage loans, which are paid back by the farmers; granted there is some subsidy in their interest rates.

If you were to take all of those programs out of the provincial allocation to agriculture, you would find that this province's share of the total provincial budget for agriculture amounts to a little over 0.5 per cent.

This is hopelessly inadequate for an industry which employs one in five people in Ontario. In fact, this year's budget has allocated \$14 million less for agriculture than last year.

During the consideration of last year's estimates, I detailed the long-term credit programs offered by the other provinces in Canada to their farmers and I tried to impress upon the minister that Ontario was the only province that lacked any such programs for its farmers.

I would like to quote a current report of Farm Credit Corp. Canada concerning this matter. It states, "Ontario agriculture relies almost entirely on credit provided by the federal government"—let us give the federal government some credit over there—"and private lending institutions and is the only province that does not offer a long-term credit program."

At the same time, Quebec has extended \$347.3 million in credit to its farmers for 1981-82. In Alberta, the amount loaned to its farmers was \$388.5 million. Ontario is the second lowest province in Canada in terms of total, long-term government credit extended, which is entirely provided by the federal government. Yet our

farmers in Ontario are expected to compete with the farmers in these other jurisdictions.

While the minister continues to blame Ottawa for the problems our farmers are experiencing, more of our producers continue to be forced out of business.

I agree with the minister when he states our farmers need a more meaningful farm product price stabilization program but, until an agreement is reached with Ottawa, Ontario farmers need more assistance than that which will be rendered by the Ontario farm adjustment assistance program.

We continue to be concerned by the fact that this government has not seen fit to introduce a young farmer financial aid program even though such a program was promised to our farmers on March 9 of this year, in the throne speech, and again on May 13, in the budget speech.

In August of this year, while speaking to farmers in Leamington, the minister stated, and I want you to listen to this—

Mr. Eakins: We are listening.

Mr. Riddell: This is in his speech to the farmers in Leamington. The minister stated: "It is hard to contemplate how a young person could consider getting into farming unless he has a deal with his family to ease in gradually. A beginning farmer is looking at a minimum of \$250,000 to establish and probably \$300,000 to \$400,000. I hope it"—what he is talking about is the program—"will be no more than three or four months away."

That is the young farmers' credit program which was promised. Another one of the Premier's promises that have gone by the wayside after he got elected.

I cannot help but think about that little ditty that was used in the last election. It went something like, "Come on Ontario, help keep the promise, Davis can do it." He sure did it. He sure did it to the farmers and to many others in Ontario. I really criticize you people for using a ditty that is almost like some of these—what are these groups called, that bend the minds of people?

Mr. Elston: Cults.

Mr. Riddell: Cults. That is the very process the Premier used in the last election. He used a ditty he knew was going to bend the minds of the people. I think that is a crying shame.

Mr. Sheppard: The dairy industry is okay.

Mr. Riddell: The farm organizations have responded—

Mr. Sheppard: The dairy industry is okay.

Mr. Riddell: We have a second Bob Eaton sitting back there.

I can recall when my former colleague, the late Jimmy Bullbrook, was making a speech and Bob Eaton started to interject. Jimmy Bullbrook stopped and said, "Mr. Speaker, would you see that somebody escorts that woman out of the hall?" Bob Eaton has never gone very far because of that either. He has gone as far as he is going to go. I maintain he was given a job as Minister without Portfolio because he is not going to last very much longer around here and the Premier wanted to improve his pension a wee bit.

8:20 p.m.

The farm organizations have responded. The minister has received the comments of the Ontario Federation of Agriculture, the Christian Farmers Association and the National Farmers Union. Yet we are now told this aid for young farmers is on hold indefinitely. I would again point out to the minister that all the other provinces have a program to help their beginning farmers. Quebec introduced an interest subsidy program in September 1982 providing long-term loans for farmers 40 years of age and under who are establishing a farm. The Quebec government pays the interest costs on the first \$50,000 for five years on loans under the tandem program which involves—

Mr. Shymko: What is the deficit in Quebec?

Mr. Riddell: —the Quebec Farm Credit Act and the federal Farm Credit Act—

Mr. Shymko: What is the provincial deficit in Quebec?

Mr. Riddell: I tell the member opposite, at least Quebec has the concerns of the farmers at heart. Perhaps the member has heard the saying before, "As goes agriculture, so goes the nation." In Quebec they realize that and they are prepared to help the farming industry there.

Mr. Shymko: They are in the hole in Quebec.

Mr. Riddell: Maybe they are, but their farmers are outcompeting us. They are outcompeting us by virtue of the fact that this government has no commitment to the farming industry in this province.

In Manitoba, farmers under 40 years of age are eligible for a four percentage point rebate on the first \$50,000 loan for five years. Interest rates on guaranteed loans are one per cent above the chartered bank's prime rate.

In Alberta, the government provides a variety of loans, including direct loan programs aimed

at beginning farmers and family farms. One feature of the direct farm loan program is its five-year fixed interest rate, which is at 12 per cent, with a three percentage point reduction of interest for the first five years for those producers who cannot obtain financing elsewhere and whose net worth is less than \$225,000.

The only answer from this government to the financial problems facing our farmers has been the Ontario farm adjustment assistance program. I know the minister is going to get up and he is going to say, "Riddell, you should not be talking about that program because the majority of the money has gone into your riding." I am not going to dispute that. We have had the lion's share of the money, but also probably there have been more farm bankruptcies in north Huron and Bruce and Grey counties than in any other part of the province.

Mr. Sheppard: How many in Quebec?

Mr. Riddell: I am speaking for the farmers of Ontario. I do not have to speak for the farmers of Quebec.

While the farm adjustment assistance program is better than nothing, it is far from adequate in addressing the situation. A resolution passed last week at the Ontario Federation of Agriculture annual meeting called on the government not only to extend this program, but also to improve it. The Ontario Federation of Agriculture has stated:

"It makes no sense whatsoever for the government to guarantee a new line of credit to a producer without making the new loan eligible for interest subsidy. Frankly, we find it perplexing that the government would choose to deny a subsidy on the deferred interest and the new line of credit after having determined that a producer needs interest assistance. But as it is presently constituted it resembles a half-completed bridge over which the hard-pressed farmer is invited to take a walk."

This is the point I have been trying to make in my questions to the minister in the Legislature. I have been asking him if he is prepared to make changes in the OFAAP and allow the same interest subsidy on the new line of credit as well as on the deferred interest portion of that program. I am not asking any more than the Ontario Federation of Agriculture asked for at their convention.

It is little wonder that, after a year of the Ontario farm adjustment assistance program, less than half of the \$60 million allotted to the program has been committed for the five per cent interest rebate option.

While the minister goes around the province praising the fact that his program has helped some 3,000 farmers, he fails to mention that this figure represents less than four per cent of our farm population. With the large declines that are forecast in net income and with the low commodity prices that threaten many cash-crop farmers this year, this program will not be an adequate solution to the economic problems facing our farmers.

If the minister thought he had problems last year with the red meat producers sitting on his doorstep, he just has to wait. From now until spring seeding next year he is going to have numerous cash-crop farmers sitting on his doorstep.

I find it totally unacceptable that this government will argue that there is no money to provide meaningful assistance programs to prevent the food producers of this province from going bankrupt, yet it has no trouble finding \$650 million to buy a small share in an oil company for investment in resources outside the province. Its priorities are mixed up, to say the least.

What this province critically lacks is a clearly defined strategy for agriculture. The minister may recall the report of the action committee to him stated that the provincial government should implement a strategy for agriculture, yet no visible long-term agricultural policy exists at present. This has resulted in the introduction of ad hoc, short-term support programs. While such programs may contribute to the short-term survival of farmers, they do nothing to maintain the economic viability of our agricultural industry or to ensure a sense of security for the future.

I think the minister is on the right track by pushing for a tripartite stabilization program, but I want to know what he is prepared to put in place if the federal Minister of Agriculture states he is not interested in a tripartite stabilization program.

The minister and I both know that the federal minister is a strong proponent of marketing boards. I think he would like to see the pork producers and the beef producers enter into a national supply management program. If he holds out for that, there is a possibility he may well turn down any participation in a tripartite stabilization program. If he does turn it down, does the minister have anything in place to help the farmers of Ontario?

Mr. Shymko: How about Eugene Whelan?

Mr. Riddell: How about him?

Mr. Shymko: Does he have any plans?

Mr. Riddell: I thought I just went over that. The present overriding need is for low-interest loans for consolidation of debts and operating loans.

The minister has mentioned the benefits of his ministry's tile drainage loan program and the fact that they are allocating \$6 million more for tile drainage loans this year. While we can fully appreciate the benefits of this program, we are very concerned that this investment is still about 40 per cent less than the demand last year. At most, the additional funds will aid only some 700 farmers, who may receive only half of their maximum loan limit.

Moreover, much of the benefit of this program has been negated by an increase in debenture loan rates from eight per cent to 10 per cent and by the fact that only 60 per cent of the total drainage work will be covered, down from 75 per cent last year. This means the rest of the funds will have to be borrowed from the banks at normal bank interest rates.

8:30 p.m.

When the principal and interest repayments from farmers for previous loans are considered, the new money actually designated for this program may amount to only \$10 million to \$12 million and not the \$36 million that the minister would have us believe. We in this party believe that the government should provide up to \$50 million a year for low-interest tile drainage loans and that these should cover 75 per cent of the cost of the drainage work.

The disappearance of our best food-producing agricultural land is a major concern, one that has consistently been ignored by this government. Ontario is already short of high-quality food land and is a major importer of food.

Just 15 years ago, Ontario farmers produced more beef, pork, poultry, eggs, dairy products and vegetables than we could eat. Sad to say, this is no longer the case. During the past seven years, Ontario's food imports have increased by 126 per cent to \$2.3 billion. Replaceable imports that could have been grown in Ontario amount to \$1.25 billion.

In 1980, imports of fruits and vegetables into Ontario totalled about \$595.8 million. The processed fruit and vegetable industry in Ontario has declined seriously. Two outstanding examples that were identified by the government's own consultative task force on the processed fruit and vegetable industry in Ontario are canned peaches, of which imports rose from \$4.7 million in 1960 to \$18.4 million in 1978, and canned whole tomatoes, imports of which went

from \$2.4 million in 1960 to \$13.2 million in 1978. These are two products that we could grow extremely well in Ontario, and yet our imports have increased dramatically.

In the tender fruit industry in Ontario between 1960 and 1978, 17 out of 20 fruit processing plants closed and an additional 25 processing plants discontinued production. Today only one fruit canner remains.

The 1981 census for agriculture confirmed the ongoing loss of farm land in Ontario, showing about 12,274 fewer farms than in 1971 and more than one million acres less of farm land. Eastern Ontario saw a 16.2 per cent decrease in census farms, central Ontario an 11.5 per cent decrease, western Ontario an 11.3 per cent decrease, southern Ontario a 14.3 per cent decrease, northern Ontario a 4.7 per cent decrease, and the province a 12.9 per cent decrease; a decrease in every one of those jurisdictions.

The government's own report states that during the next two decades Ontario's food production will need to grow by the equivalent of 1.1 million acres of new food production capacity if we are to maintain current levels of self-sufficiency while meeting future demands, yet our prime agricultural land continues to go out of production at an alarming rate with the silent approval of the Minister of Agriculture and Food.

The truth of the matter is that the government is not and never has been very concerned about the destruction of our food-producing areas. The ministry's food land guidelines, which came in before the present minister was appointed to this portfolio, are meaningless.

Last year during hearings concerning the agricultural land in Mississauga, which is referred to as the hole in the doughnut, the Ontario Municipal Board found that these guidelines were so ambiguously worded that they are practically useless. The OMB stated:

"It is commonly said of the food land guidelines that they are a government policy. There is no doubt in my mind that this is so. Having said that, however, it is necessary to note that some of the material in the guidelines is of such a nature that it cannot be described as policy as that word is defined in the Concise Oxford Dictionary, namely, 'a course or general plan of action adopted by government.' If the guidelines are read keeping in mind this definition of policy, it can be seen that many of the statements are not plans of action but merely explanatory."

The chairman then found there was nothing in the guidelines which explained why he should stop Mississauga from allowing this precious farm land, estimated as being one five hundredths of all the first-class farm land in Ontario, to be covered with asphalt and concrete.

When the minister responds, I would like him to comment on his participation in this annexation of farm land in Mississauga to take it out of agriculture.

Hon. Mr. Timbrell: That was before my time, before I got here.

Mr. Riddell: Twelve thousand acres of good agricultural land were approved for urban development in that case. Last year we had the case of the Vaughan lands, and now we have the case of the Brampton lands.

Mr. Nixon: Let's go over the Vaughan lands again.

Mr. Riddell: We spent a good deal of estimates time last year on the Vaughan lands, and there is still something funny about that whole deal which we were not able to draw out of the minister and his staff, by virtue of the fact that the Minister of Agriculture and Food refused to allow anybody to go up and take an oath to present us with the truthful information.

I guess that again is the type of democracy Churchill referred to as being far from perfect, the fact that the minister would not allow his staff to take an oath so they could tell us the truth. As a matter of fact, the truth was never told.

Mr. McNeil: That's not right and you know it.

Mr. Riddell: It certainly is right.

Mr. McNeil: It is not. You know it.

Mr. Riddell: It certainly is.

Mr. McNeil: I was there.

Mr. Riddell: Maybe the member was. He went there, saw the land and referred to it as a hog's back. I went there and I would like him to tell me what a hog's back is. I talked to the farmers around there. They told me—

Mr. McNeil: You went out and looked at it in the spring of the year.

Mr. Riddell: The farmers told me the kind of yield they were getting off that land, and they could not understand why the government would ever say it was not suitable for farming.

Mr. McNeil: What kind of yields were they getting off that land?

Mr. Riddell: I am not saying the member for Elgin (Mr. McNeil) was not telling the truth. I

am saying there were some people who knew what the truth of the whole matter was, but the then Minister of Agriculture and Food refused to have them come up and take an oath so they could respond to our questions.

Mr. McNeil: You have impugned the whole ministry.

Mr. Boudria: Why are you guys so defensive about this?

Mr. Riddell: As the minister is aware, the Brampton official plan has included more than 7,000 acres of food land within its urban boundary for urban development. This is alarming—

Mr. McNeil: You are a smart young man. You have all the answers. You have been here a year and a half. You are a real bright young man.

Mr. Riddell: Who is he talking to, you or me?

Mr. Boudria: I think he is talking to me. He is really upset.

Mr. Riddell: I can understand him being upset because sometimes the truth hurts. We know that.

Mr. McNeil: You should know.

Mr. Sheppard: Yes, you should know.

Mr. Chairman: Come on, come on.

Mr. Riddell: The Brampton official plan has included more than 7,000 acres of food land within its urban boundary for urban development. This is alarming, as 81.5 per cent of Brampton's land is class 1 and is located in a favourable climate.

As the minister is aware, land losses are not acre-for-acre equivalent, as class 1 land produces 100 per cent more food per acre than class 4 land, with the same energy input.

8:40 p.m.

We listen to the minister talking about devoting money to develop more land in eastern and northern Ontario, knowing full well that we are never going to end up with class 1 land. So why would we do away with our class 1 land here to get less efficient and less productive land in eastern and northern Ontario? We do not understand it. Sure, the heat units are an important factor here, but—

Mr. Treleaven: Bob, did he say the same about the Hydro corridor?

Mr. Riddell: Listen, before this is all over, my friend is going to hear from my colleague about the Hydro corridors. This is one time when I have to give the Deputy Minister of Agriculture and Food some credit. I happened to be at the hearing in Stratford when he walked in and said,

"We in the Ministry of Agriculture and Food are very much against a corridor going through Huron county, which is the best land we have in Ontario."

Interjections.

Mr. Riddell: Well, this is what he was alluding to, so I feel that maybe he had something to do with changing the route of that corridor. I must say that my people in Huron county are very happy about this, but there are some who are not quite as happy and we are going to hear from those people before these estimates are over.

Perhaps what is even more alarming in this case is the lack of any response from the ministry. Brampton council first passed the official plan that is now before the Minister of Municipal Affairs and Housing (Mr. Bennett) in August 1980, yet we are still awaiting the comments of the minister; or is the minister trying to save his ministry's staff from embarrassment since they stated at that time that the minister had no comments to make on this proposal?

Mr. Nixon: He's going to send Ronnie out to have a look at it.

Mr. Riddell: Yes. I would dearly love the parliamentary assistant to go out and have a look at this land in Brampton, because I want to know whether he is going to classify it as being a hog's back; and if he does, then I certainly do not know what the definition of "hog's back" is. Anyway, we will await further comment from the parliamentary assistant.

The minister's commitment to preserving farm land is a sham in the light of the Brampton official plan. When the ministry's food land guidelines were released in December 1978, we in the Liberal Party stated that these guidelines would not save Ontario's farm land unless officially adopted, that the guidelines were no more than idle gestures and that they would give the deceptive appearance of a policy in place but provide no method or mechanism to ensure they would be followed. The action by Brampton council exemplifies that the guidelines are indeed meaningless.

No one is protecting the prime agricultural land in this province. As the Christian Farmers Association has stated, "Food production is a provincial responsibility, not a municipal one, and Ontario's consumers will not have guaranteed food supplies in the future until the province acts on its responsibility."

Another area of major concern to us in this party is the whole question of the conflict

between agricultural land and mineral aggregates. The Ministry of Natural Resources is in the process of having areas for mineral extraction designated in municipal official plans. It is forcing municipalities to incorporate these plans under the threat of not having their official plans approved by the Ministry of Municipal Affairs and Housing.

The government's policy paper on mineral aggregate resource planning, which was prepared in September 1980, stated that all other ministries would have due regard to that statement when making a policy decision that affected mineral aggregate resource lands. This policy statement made no mention of agricultural land and no doubt will supersede the food land guidelines.

The Ministry of Agriculture and Food had no part in the preparation of that policy, which was prepared by the ministries of Natural Resources, Municipal Affairs and Housing and Transportation and Communications. I am really shocked to think that the Ministry of Agriculture and Food was not involved in those plans, particularly when they deal with good agricultural lands.

The Ministry of Natural Resources has identified at least 500,000 acres of land as a source of aggregate in the province, including 6,000 acres of Niagara fruit land. This area already has been depleted by urban growth to 53,000 acres, or less than two thirds of its original size.

What is the minister doing to ensure that agricultural land does not merely become a holding zone for aggregate extraction? All the indications are that the government plans to open farm land to gravel extraction.

The government has done very little to expand agricultural production in this province. The minister no doubt will recall the Premier's 1981 election promise to upgrade a million acres of northern and eastern Ontario land into high-quality farm land. Needless to say, that is another promise that has not gone very far. The acreage improvement fund promised for this purpose has yet to see the light of day.

On August 27, 1982, the Minister of Agriculture and Food announced that his ministry was developing an agricultural strategy for northern Ontario. This is yet another in the long line of studies announced concerning agricultural marketing in the north.

He will recall that in 1977, as a result of the lack of government commitment to northern Ontario agriculture, his own colleague, the present Minister of Natural Resources (Mr.

Pope), introduced a bill to establish a food terminal in northern Ontario. The Minister of Agriculture and Food at that time supported the principle of the bill and initiated a marketing study, along with the Ministry of Northern Affairs, to examine the agricultural potential in the north. Such a study was to have gone from a steering committee to a committee of cabinet. As yet, no report has ever been released.

In May 1980, a further study was commissioned by the government concerning agricultural marketing in northern Ontario. Nothing has come of such a study, if indeed it ever got off the ground.

On another front, we are very disturbed over recent proposals that have been circulated by the Ministry of Natural Resources regarding revisions to the Mining Act. I raised this as a question in the Legislature. The Minister of Natural Resources whispered to the Minister of Agriculture and Food that I was completely wrong, that they never intended to charge an acreage tax on land for mining purposes; yet if he were to look at the last report that came out on this, there is nothing in that report that excludes agricultural land. The Minister of Natural Resources is going from the original report that came out a few years ago, but there has been a supplementary to that report and, by all indications, the proposal is to charge an acreage tax.

One of the changes that is envisaged is the extension of an acreage tax for mining rights on privately held lands. This proposal would apply to the vast majority of the 15 million acres of agricultural land in the province.

Another aspect to this proposal included a possible reversion to the crown of mining rights of persons who are neither willing nor prepared to explore, develop or produce the mineral resources on their lands. We believe this proposal would be totally unacceptable to all farmers and must be rejected by the government.

When I raised this matter in the Legislature, the minister stated in his reply that my information was incorrect. Perhaps the minister will clarify the position of the government on this matter. Perhaps he can also clarify the matter for the Ontario Federation of Agriculture, which stated in a brief to the minister, and I quote once again:

"The proposals under current discussion are again suggesting that an acreage tax apply to all lands regardless of title. To further suggest that private mineral rights may revert to the crown if development of such rights does not take place,

even if the tax is paid, is totally without merit. In our view, this is expropriation without compensation." That is the end of the quote from the Ontario Federation of Agriculture.

8:50 p.m.

The Conservation Council of Ontario has stated: "The suggestion that the mineral rights on private lands should revert to the crown if an acreage tax is not paid is an attempt to gain access to land which is not now available for exploration whether or not it bears minerals. Aside from the conservation impact of such a measure, it does seem to present some fairly serious infringements on the rights of the land owner to manage his land as he desires."

If the minister thinks I am wrong in my facts in questioning him in the Legislature, why does he think officers of the OFA and the CCO are so concerned about those proposals?

Another area of major concern to me is the lack of any responsibility by this ministry over matters that occur beyond the farm gate. I am sure we are going to hear more comments on this matter from the member for Welland-Thorold (Mr. Swart). He is a good food critic, there is no doubt about that, but I caution him before he stands up and starts to talk about the expensive food that people are buying in this province, he has to realize that the food basket is probably as cheap in this province as it is in any country in the world. I would hope that in trying to reduce food prices, he is not going to lower the price of the product that the farmer gets before it passes beyond the farm gate.

I would remind the minister that it was in 1963 that the Ministry of Agriculture and Food changed its title to include food. For years, the Ontario Food Council was supposed to have assumed responsibility for the food industry. However, that body was totally ineffective and was abolished. The responsibility for monitoring food trade practices was to have been transferred to the Ministry of Consumer and Commercial Relations.

Our inquiries have established, however, that no one has accepted that responsibility and the government still remains ignorant of many of the trade practices used by the food industry. The large supermarket chains engage in practices which continue to make them large profits at the expense of not only the food processors but the independent processors and manufacturers as well. Profit figures for the supermarket chains show that they made sizeable 1981 earnings, even taking into account the year-end

price war, while the farmers who produced their commodities saw slack prices and rising debts.

As the president of the OFA stated this year at the annual convention, and once again I quote: "The gap between the farm-gate price of food and the retail price keeps getting wider and wider. A can of tomatoes cost 94 cents in the store last month. The farmer's share was 16 cents. Three years ago, the farmer's share was three cents less than it is today. But the retail price was 29 cents less. A pound of fresh chicken was \$1.38 in stores last month. The price to the farmer on an eviscerated basis was 66 cents." The examples go on and on.

Moreover, the power of the chains in this province continues to increase at the expense of the independent. Last year, their share of the grocery sales in Ontario went to 75.1 per cent of the market, compared to about 48 per cent just 15 years ago. At the beginning of this year, we saw the establishment in the food industry of yet another buying group designed to squeeze more discounts and allowances from food suppliers.

Dominion Stores Ltd. and Steinberg Inc. have now combined their buying clout through the formation of a buying group known as Volume One. This major concentration of buying power among the major chains through buying groups will decrease competition and will eventually lead to higher food costs to consumers and a reduction in food suppliers and independent retailers.

In the United States, the five major food chains share only 26 per cent of the grocery sales due to the Robinson-Patman Act, which the American government passed to prohibit unfair trading practices. Ruth Jackson of the Consumers' Association of Canada has stated, and I quote: "The formation of buying groups is definitely going to decrease competition. We just cannot see that supermarkets united in a buying group are going to compete aggressively."

The head of the Canadian Federation of Retail Grocers has stated: "Small grocery stores are also endangered by the formation of buying groups such as Volume One and Foodwide. The small grocers, who say they will have to charge higher prices because they cannot get the same volume discounts as large chains, believe that discounts should be outlawed in Canada as they are in the United States. Such large buying groups create unfair competition for small stores."

The Ontario Federation of Agriculture is also concerned that the purchasing policies of the supermarket are reducing not only the number of food retailers but also the number of food and

food products suppliers. On October 27, 1980, the OFA wrote to the Premier and sent a copy of the letter to the then Minister of Agriculture and Food, the member for Lambton (Mr. Henderson), concerning the Leach commission report on the food industry. The federation asked that the government refuse to accept the report, because it believed it was nothing more than a whitewash and totally unacceptable.

On November 26, 1980, the Premier responded to that letter, indicating that the conclusions and findings of the report would be studied by the government. Two years have gone by and we have yet to hear any response. I would ask the minister, what is the government's response to the OFA request that the Leach report not be accepted and that action be taken in those areas it specified? Action by this government is urgently required in this area and I hope the government will introduce legislation, similar to that I have introduced on two occasions in the past, which would prohibit unfair food industry trade practices in Ontario.

Another item upon which I would like to comment, and it is one about which my colleagues and I have very serious reservations, is the recent attacks by the deputy minister on our marketing board system. It is really unfortunate that we are holding these estimates in the Legislature. I have always enjoyed having them in committee. I can understand the reason they are here, and I am not blaming anybody for bringing them into the House. I have always enjoyed the dialogue we are able to have in committee with the minister and his staff on matters of concern, but we are unable to do that here.

Members may think I am levelling an attack on the deputy minister when he cannot respond in kind. I have no other choice. I was not the one who insisted that the estimates come into the House; nor was the minister. It was an agreement reached by the House leaders and I can understand the reason. We have to get the work done. In all fairness to the Treasurer (Mr. F. S. Miller), we brought the estimates into the House.

I am going to have a few words to say about the deputy minister and if he wants to meet me some time outside the Legislature, I am quite prepared to meet him. I believe the deputy minister's public statements about quota sharing do absolutely nothing but erode confidence in the system. When the deputy minister, in a very political way, puts forth the idea that Ontario could withdraw from the broiler and

meat part of the marketing board system he is flying in the face of reality. We are able to operate that system because Canada is a member of the General Agreement on Tariffs and Trade. If Ontario producers followed Mr. Allan's advice and pulled out of the chicken agency, the agency would collapse and import restrictions would no longer apply.

9 p.m.

I would like to read from the editorial of the November issue of the *Canada Poultryman* to show the very serious concerns our farmers and our people in the chicken industry have about the comments made by the deputy minister. "Ontario's deputy minister of agriculture Mr. Duncan Allan recently told Ontario chicken producers that they should pull out of the Canadian Chicken Marketing Agency if they do not get a better quota allocation deal."

Mr. Sargent: Hear, hear.

Mr. Riddell: Was that Ronnie McNeil?

Mr. Sargent: Give it to them, Jack.

The Deputy Chairman: The member for Grey-Bruce (Mr. Sargent) should be a little bit more silent up in the gallery so we do not have to hear him.

Mr. Sargent: Give them hell, Jack.

Mr. Riddell: I am doing my best, Eddie.

"A complete report on Mr. Allan's speech appears on page 16 of this issue. Since it is unlikely that Mr. Allan is naive or dangerously misinformed about the consequences if Ontario would withdraw from the CCMA, it is clear that Mr. Allan is playing politics for the benefit of Ontario's quota allocations. To some extent this type of brinkmanship can be tolerated, but Ontario producers should make their minister aware that his advice could destroy the profitability and existence of family-run chicken farms. If Ontario producers followed the honourable minister's advice —"

Hon. Mr. Timbrell: Mr. Chairman, on a point of order: Is the honourable member referring to remarks made by my deputy minister in his recent speech this fall? If he is, I would like to see where in that speech my deputy minister called for the withdrawal at any time by Ontario from that particular national plan.

Mr. Riddell: What I am referring to is an editorial—

Hon. Mr. Timbrell: With all due respect, the member may want to leave that and come back to it later in the estimates, because I do not

believe in that speech my deputy minister did call for a withdrawal.

Mr. Riddell: Why would the editor write that article in the Canada Poultryman?

The Deputy Chairman: If the honourable member would hold on a second, I will recognize the minister and then yourself.

Hon. Mr. Timbrell: This is a committee. I am only asking, since the deputy minister cannot reply, that the member would perhaps delete that portion from his prepared text until later and reconsider. Perhaps he would like to check the speech, because I do not believe that any time in that recent speech did my deputy minister call for a withdrawal by Ontario from the national plan.

Mr. Riddell: Mr. Chairman, I would prefer to read the editorial, and I will send the comments the minister just made, along with any comments I make, to the editor and I will ask him to dispute the fact of whether the deputy minister said it or not. I cannot believe that if the deputy minister did not say it, an editorial would have been written and, furthermore, if it so far from the truth, why did the deputy minister not sue the editor?

Hon. Mr. Timbrell: Do you believe everything you read?

Mr. Riddell: If it defamed my character the way this article does I would darned well be pursuing it, I will tell the minister that. I have not heard tell of the deputy minister pursuing the matter, so I have to believe that—

Hon. Mr. Timbrell: In other words, if it suits your purpose, use it; if not, do not. Is that right?

Mr. Riddell: Certainly I am going to use it. You cannot always have it your way.

Now let me continue. "It is clear that Mr. Allan is playing politics for the benefit of Ontario's quota allocations. To some extent this type of brinkmanship can be tolerated, but Ontario producers should make their minister aware that his advice could destroy the profitability and existence of family-run chicken farms. If Ontario producers followed Allan's advice and pulled out of the Canadian chicken agency the agency would collapse and import restrictions would no longer apply.

"In his speech, Mr. Allan rightly predicts"—I ask the minister to note these three little words, "in his speech"—"an ensuing chicken war that would result in financial hardship for many Canadian producers. Unless Mr. Allan has a subsidy plan worked out, he is very wrong when

he tells Ontario producers that they would come out all right in the event of a chicken war.

"With import restrictions removed, American chicken would flood into central Canada first because it is closest to the major producing areas in the USA. Canadian surpluses would then cause depressed prices across Canada. The Ontario chicken board is making an effort to work within the agency instead of giving up, as Mr. Allan so eagerly advises.

"The Ontario Ministry of Agriculture and Food would likely find itself involved in an expensive subsidy program if the CCMA collapsed and imports were allowed free access to our markets. At a time when the Ontario government has implemented a much-needed restraint program, a subsidy program would not be welcomed by an overtaxed, underemployed electorate.

"Alternatively, producers would end up growing chicken for integrators on a contract basis at rates that would drive most broiler producers out of the business in a few years. The results would be that a few totally integrated companies would take care of all Canada's domestic chicken production with a high percentage of imported products keeping prices too low for individual producers to survive.

"The producers of Ontario and the rest of Canada, whose blood Mr. Allan is so eager to spill"—those are awfully strong words. If I did not make that kind of comment and somebody was going around the country saying that I was trying to spill blood, I would be pursuing that to the nth degree, but to the best of my knowledge Mr. Allan has not done that. It indicates to me that they must have had a copy of his speech and they must have been quoting him almost verbatim in this article.

Hon. Mr. Timbrell: Or that he does not read the Canada Poultryman.

Mr. Riddell: If the deputy minister does not read some of the leading farm magazines, you had better be looking for some—

Hon. Mr. Timbrell: Do you consider that one of them?

Mr. Riddell: The Canada Poultryman? Oh, my goodness. The quote continues: "...whose blood Mr. Allan is so eager to spill, would find a way to repay anyone who treats sensitive industry issues with such a callous attitude. One can only hope that Ontario producers and their delegates see Mr. Allan's speech for what it really is, a purely political statement designed to intimidate the Ontario chicken board and the

chicken producers in the rest of Canada." Those are pretty strong words if he did not have some facts to go by.

The minister has also been picking a real quarrel with the Canadian Chicken Marketing Agency about oversupply quotas and so on.

Hon. Mr. Timbrell: Do you disagree?

Mr. Riddell: Who is the chap who is arguing with you in the chicken agency? What is his name?

Mr. McNeil: Don't you know?

Mr. Riddell: It has slipped me right now. Do any of you fellows know?

Mr. McKessock: Is it Johnson?

Mr. Riddell: Anyway, he says you are all wrong in your facts and figures. He said that Ontario is getting its fair share of the quota. I would like you to get up and use his figures and how he arrives at them, and then you give us your figures and how you arrive at them, so that I will be able to go back to the farmers in my riding and say, "Well, Timbrell was right. This other chap is wrong." I want to know who is right and who is wrong.

Are you putting up a fight on something that you are totally wrong on, or do you actually believe that we are falling far short of the quota which we should be getting based on our population and our production trends? Perhaps you will comment on that.

The last item which I would like to comment on, and an area of major concern to us in this party, is one which I have been pushing the government to take definite action on since 1978, that of nonresident foreign ownership of our agricultural land.

9:10 p.m.

I understand, Mr. Minister, that you had some previous knowledge that we were going to raise this either by way of a question in the Legislature, which we have done, or by way of comments in my opening remarks, because I understand this subject was a last-minute addition to your statement. It was something you were not going to touch on until you knew whether we were going to pursue it. That is the information I have and it could be wrong.

Hon. Mr. Timbrell: It is wrong. What is your source?

Mr. Riddell: I am not saying I am right all the time.

Hon. Mr. Timbrell: What is your source? It is wrong.

Mr. Riddell: We have some pretty good sources over here.

Hon. Mr. Timbrell: You would not still be there after 39 years if you did.

Mr. Conway: Tell us it will last for 1,000 years.

Mr. McNeil: The opposition will have to be stronger than it is now.

Mr. Riddell: Get your rubbers out, Ronnie, and get out in the field.

The Deputy Chairman: A little bit of order. The member for Huron-Middlesex has the floor.

Mr. Riddell: I would dearly love to comment on that statement, but I will not, Mr. Chairman.

Mr. Conway: In Peking they called the member for Elgin the vice-minister. He was a very big hit.

Mr. Riddell: It really bothers me to think that he is the parliamentary assistant to the Minister of Agriculture and Food yet they use other people. I really take offence at this because I have a lot of respect for the member for Elgin. If he is made parliamentary assistant to the minister I feel he is the one who should be filling in for the minister when he cannot attend functions.

I do not know who arranges it, but we see instead somebody like the member for Chatham-Kent (Mr. Watson) or maybe the member for Durham-York (Mr. Stevenson) or practically anybody else, get up to speak at a function and say, "I have to express the regrets of the minister that he is unable to be here but I am more than pleased to be here representing the minister as the parliamentary assistant." The member for Elgin is not given that opportunity and I do not know why. I think it is dirty pool, that is what I think.

Mr. Conway: They must know that Ronnie was a prominent Liberal before he entered—

Mr. Riddell: That could be, but the member for Elgin should not talk about a weak opposition, because I think the people over there are not treating him all that well.

On December 5, 1978, I asked the former Minister of Agriculture and Food if he was aware of the widespread and serious concern about block purchases by foreign investors of agricultural land in Ontario. I also asked if it was true that foreign interests were circumventing the land transfer tax by forming Ontario corporations, and whether he would undertake a survey of current foreign ownership of rural lands in Ontario and monitor all new land transfers.

The minister at that time indicated these purchases were insignificant and that no government action was necessary. It was very disturbing to note that the present minister has taken the same view. The fact of the matter is, no one knows how much land nonresident foreigners have bought or are buying; nor do we know the real consequences of such purchases.

In some townships in the province the amount of nonresident, foreign-owned land is very significant. I have been told it may amount to as much as 80 per cent of the productive farm land in certain townships. I believe most people would agree that large concentrations of nonresident owners in any one area can affect the whole social structure of a community.

These investments will accelerate the demise of the family farm unit. Many local farmers and beginning farmers are unable to compete with the prices which are being offered by foreign investors, who keep land prices artificially high. What this means is that the younger generation of potential farmers will be reduced to nothing more than tenant farmers.

Some farmers will say they do not mind renting land; some farmers have done nothing but rent land all their lives. However, most young people who aspire to farming hope they will be able to own farms some day.

I have two young people helping me in my farming operation who have gone through agricultural college and do a tremendous job of farming. If you want to come out, you will not see straighter rows of corn or better yields anywhere than those young lads are able to get from that land. Yet for a number of years these two boys have not been able to buy farms because they cannot compete with the price the foreign buyers are prepared to pay for this land. They just cannot make it work out with pencil and paper.

The former Minister of Agriculture and Food has argued that these nonresident owners cannot pick up this land and take it over to Germany or whatever country these investors come from, but the fact is that we have very little control over what they do with that land. Just as surely as I am standing here, once that land is sold to a nonresident investor, it will be like pulling teeth to get that land back for our own young people who dearly want to get into the farming business.

Two or three years ago, when I was in Germany on the select committee, I asked the Germans why they were so interested in investing in our land. They said, "For a couple of

reasons. One reason is to hedge against inflation in this country, and the second is the hedge against creeping socialism." They said: "You know what is happening in Poland at the present time." It would not surprise them if the Russians went marching into Poland and right across Poland into Germany.

That was their fear: that the Russians would not stop in Poland but would go right across Germany. Believe me, the Germans knew that the best place to invest their money was in land in this country. That is the reason they are doing it. They are going to hold on to that land, and it is going to make it very difficult for our young people ever to acquire land they can call their own and land they want to farm and work to produce food for the people of this country.

Most of the concern over foreign ownership stems from the lack of knowledge about its extent, the source and nature of such amounts of ready cash, the long-term intent of foreign purchasers regarding the use of the land and the lack of any effective controls over these purchases.

I have listed numerous examples of these purchases in the Legislature in the past, but after two years of monitoring, the minister still is unsure of the extent of the problem. We still do not have a final report listing the degree of foreign ownership in Ontario townships, yet the minister assures us there is no problem.

Does the minister really know what is going on in connection with the foreign ownership of land? Has the minister ever seen an offer to purchase that was signed by the farmer and the foreign investor? If he has, he will have seen a clause in the offer to purchase that states that before the foreign investor will purchase the land, the farmer must incorporate, and they recommend that he form a numbered company.

Then the shares from that company are transferred to the foreign investor, thereby allowing him to escape from the land transfer tax and also enabling him to get by without registering his land under the new Registry Act because the numbered corporation happens to have an Ontario address.

That is what is going on, and the minister's report on the amount of land that has gone into foreign ownership is so far from accurate that it really should be scrapped. A study was done in Huron and Bruce counties; it came up with vast acreages of land that had been sold to foreign owners of which the government had no record whatsoever. That is why I say their report is far from accurate.

Mr. McKessock: In Grey county as well.

Mr. Riddell: In Grey county as well, my colleague tells me.

Somehow we are not reassured by the minister's statements, and we will have more to say on this subject later in the estimates.

I indicated that this was the last item I wanted to touch on, but there are two others I want to touch on very briefly. First of all the minister's announcement about the property tax rebate: I wonder if he understands that he is causing a lot of farmers with small holdings a considerable amount of grief because of his proposal to raise the gross revenue to \$12,000. Does he realize that a farmer in, say, Grey or Bruce county, with 100 acres of land—

Mr. McKessock: As a matter of fact, all the counties down east and up north.

9:20 p.m.

Mr. Riddell: Any of those counties, even in Huron where they have 100 acres of land and may be producing 25 cows if they have a cow-calf operation. If each one of those cows raised a calf and that calf sold for \$300, which is the case today, that farmer would not qualify for the rebate because he would not meet the minister's \$12,000 gross revenue criterion.

What about the retiring farmer, the farmer who has decided to slow down a wee bit? He is not that interested in making his land produce to its maximum potential. Maybe he is quite content to raise a few cows and maybe a couple of sows or something of that nature. He is not going to be able to show a gross revenue of \$12,000, yet he is going to be penalized by virtue of his small holding and the fact he is not an intensified producer on that land.

I think the minister had better give this some thought. I really think he does not fully understand the number of farmers who are not going to qualify.

These are full-time farmers; but the problem applies not only to them, but part-time farmers, young lads who have had to borrow a considerable amount of money to get started in the farming business and in order to meet their commitments have had to do some off-the-farm work. They are starting slowly and do not have all kinds of money to invest in 100 head of beef cattle or to get into the dairy business or anything like that. They are starting slowly. Yet these part-time farmers, these young people, are not going to qualify for the property tax rebate because they will not be able to show \$12,000 gross revenue. The minister should figure it out

for himself. To have 25 cows on 100 acres is not out of the way, is that not right?

Mr. McKessock: That is right.

Mr. Nixon: How much?

Mr. Riddell: I understand that 25 cows on 100 acres is quite a common thing in certain counties. There is also the case where there may be a poor farm with shallow land and top soil that is not very good, but it is still land that is being farmed. They are not going to get the yields the good farms are going to be able to produce, but they are still struggling on that farm and are still trying to produce to the best of their potential and to the best of the land's potential. Yet it may well be they are not able to show a gross revenue of \$12,000. The minister is telling these people they are not going to qualify for the property tax rebate. He had better give that some thought before he raises the gross revenue from \$5,000 up to \$12,000.

Lastly, I want to mention briefly, although I intend to get into it in more detail during the estimates, the subject of the distribution of milk in Ontario, a matter I have drawn to the minister's attention through correspondence.

Many of the dairy people who rely on their businesses to sell milk are finding their areas are being infringed upon by the larger dairies which, as I understand it, are operating outside the Milk Act.

The Milk Act states who can distribute milk. I understand it makes no reference to agents or sub-agents. The larger dairies are even getting around this by saying to some of their own trucker employees, "Look, we are going to make you an agent," or, "We are going to make you a sub-agent and you distribute the milk." These people are going all over Ontario. They are going outside areas for which they are not even licensed to distribute this milk. What it is doing is to the detriment of these people who have operated within the spirit of the act—they have been licensed, they know where they can distribute milk, and yet there seems to be no control over the larger dairies using agents and sub-agents to peddle the milk, or what I call bootleg the milk, here, there and all over the province.

This issue has now come to the fore and the minister had better devote some attention to it because there is an association of these independent—what do they call that organization? The name escapes me now. They have

formed an association and they will be approaching him about tightening up the Milk Act.

Mr. Eakins: Independent milk distributors.

Mr. Riddell: Independent milk distributors. All these distributors of milk will have to be licensed and they will have to live within the spirit of the act. Now, according to the information we have received, they are contravening the act.

My colleague the member for Victoria-Haliburton (Mr. Eakins) and I met the other day with the independent dairy distributors. We spent a good hour with them. They are going to document their case. I hope I will have it prior to that particular vote in the estimates. I want to get into that in more detail as well as the matter of public commercial vehicle licences for trucking milk which I drew to the minister's attention in a letter. I believe he told me this matter is at present being investigated.

With those comments, I am going to take my seat and I look forward to the minister's response on some of the concerns I have expressed on behalf of the Liberal Party in connection with the farming industry of Ontario.

Mr. Chairman: The member for Welland-Thorold.

[Applause]

Mr. Swart: Mr. Chairman, I presume the applause I may be getting from my colleagues on the right is more from the fact that this is the first time I am speaking on agricultural estimates than it is because they may agree with everything I am going to say.

Mr. Sargent: Do not give the same speech as last year.

Mr. Swart: At least one of the members does not even know that I was not agricultural critic last year and did not take part in the debate.

I rise to speak as agricultural critic with some mixed emotions, not about being the agricultural critic but about the value that often appears to be placed on the debate of the estimates. I agree wholeheartedly with the comments of the member for Huron-Middlesex (Mr. Riddell) that there is nothing more important than dealing with agricultural matters, but certainly there will be no reports in the press about the matters debated here this evening.

I doubt if even the minister—and I did not see anything—got any press about his 84 page leadoff statement. That is a situation that exists with regard to estimates. I guess I am also a little bit concerned about the fact we are holding them in the House. I realize the difficulty in

getting them out to committee where the questions and answers can be a little more freewheeling than there are here. In spite of that, I am pleased to be here as the agricultural critic.

I want to congratulate the minister on his appointment as the Minister of Agriculture and Food. Was it last February he was appointed to that position?

9:30 p.m.

I would think that perhaps, on occasion, the comments that the members on your side of the House used to make about the former member for York South may haunt you a little bit. They used to call him the "asphalt farmer." That term was to some extent meant as a joke but it was derisive, too, when applied by the Conservative members to the former member for York South. Now they have their own asphalt farmer over there as minister.

I also want to pay tribute to my predecessor as agriculture critic for this party. Those of us who were at the Ontario Federation of Agriculture banquet will know that Donald MacDonald, the former member for York South, was awarded a plaque by the federation for his service to agriculture. I think all of us in this House will agree that was a distinct honour; and those of us who have sat in this House for a period of time will know that it was deserved. No one in this House became, over the years, more knowledgeable about agricultural problems and fears than Donald MacDonald. It is with some humility that I follow in his footsteps.

I want to say to the minister that I think he will perhaps bring a more analytical approach to agriculture than the two ministers who filled that portfolio previously. Also, I think he is much smoother than the two previous ministers of Agriculture and Food. He will be very adept at explaining away the government's shortcomings, which are many; he will do a good job for the government in that regard.

As an example I would point out his performance on the Ontario farm tax reduction program at the federation of agriculture banquet where he made the announcement. Of course, what he really did was to postpone any improvement for two years—the member for Huron-Middlesex also mentioned this—after the government had promised to introduce it this year. He postponed it for two years after the federation had written a letter stating that it wanted it now and wanted the \$5,000 limit to remain. Not only did he postpone it for two years, but even for this year he raised the qualification figure

from \$5,000 to \$8,000, which is a 60 per cent increase.

As the member for Huron-Middlesex said, that is going to prevent numbers of farmers in this province from getting the tax rebate because this year prices have gone down. I suppose the minister thought the announcement would be well accepted by the farm community, but I suggest that after some reflection on this, the farm community will indicate to the minister that it is not acceptable to them.

That is going to be the minister's forte, he is good at it; and with the government's agriculture policies, he has a big job to do to try to sell those policies to the farmers of this province.

However, I really think that the minister may do more for agriculture than the previous two ministers did. Again as the member for Huron-Middlesex said, there are many delegate votes out there among those farmers; and whereas the two previous ministers obviously had no aspirations, we suspect that this minister does have aspirations and wants to firm up those votes. So I think he is going to work at it.

His 84-page opening comments were a combination of his political aspirations and a rather forward-looking program for Ontario agriculture, on paper at least. It was of course a self-congratulatory document he presented here last Friday.

I notice he has been getting some help in this from the member for Elgin (Mr. McNeil) in the private member's resolution he had before the House about two weeks ago. Again, it was very self-congratulatory. There is also the resolution, which I guess we are going to have for discussion this week, from the member for Chatham-Kent (Mr. Watson). I suspect they are on the minister's team and are part of the group helping him get those delegate votes.

The minister will resolve a bit of the aggravation among the farmers, certainly in areas where things do not cost too much. His proposed programs may not materialize but they at least look good on paper. Perhaps they would be good if proceeded with in a meaningful way.

Mr. Conway: What do the delegates in Welland-Thorold think about this?

Mr. Swart: I am not sure I should mention it. In Welland-Thorold, in the last provincial election, only 17 per cent of the vote went to the Conservatives. There are not many delegates there. It is a bit more difficult to find them to get an expression of opinion from them.

The short-term and long-term planning proposals, and I am now being positive, in the

minister's statement would cause one almost to think, on reading that document, that it was developed and written by a democratic socialist. He said foreign ownership of land was at one per cent and he is really concerned about that and thinks it deserves closer examination. He is going to strengthen his surveillance.

He talked about the program of import replacement; about producing a much larger volume of tomato paste; about import replacement on strawberries and about an economic plan for replacing those imports. He talked about a direction whereby whey would be converted to a useful product. He also laid plans, on paper at least, for a profitable peanut industry. He talked about storage facilities and about seeing that they be developed so we could be more self-sufficient.

In that document, he did not even come out in opposition to Canagrex. He did not say whether he was for it or against it. It was hopeful that he did not come out in opposition to it. That is the first ministry to propose and promote this degree of economic planning. It almost looks as though Ontario is going to determine the goals, to set the framework, to say that is the way it must be and then is going to tell private enterprise that it is going to work within that framework. That is the kind of thing we in this party believe in.

Has the minister cleared this with the Minister of Industry and Trade (Mr. Walker), especially this matter of foreign ownership? The minister expressed concern about the one per cent or what may be a bit more than that. It was only last week, when we were talking about Cadillac Fairview, that the Minister of Industry and Trade asked how anyone could object to bringing in \$200 million worth of Arab money.

Has the minister cleared with the cabinet the objection to the foreign ownership of land and being concerned about one per cent? There is also the concern about the auto industry. The Minister of Industry and Trade thinks it is great to have foreign ownership of our auto industry. He has no objection whatsoever to that sort of thing. Nor does he seem to have any objection to our importing all our natural resource machinery.

I wonder also whether he has cleared it with the Minister of Natural Resources (Mr. Pope) so we can process our own nickel here. If it is a good idea in agriculture, perhaps it is a good idea there too. Maybe we should be even using our own iron ore; it is perhaps a little lower

grade, but maybe we should be even using that in this province.

9:40 p.m.

I like the idea of some of the things the minister said, but it may be kind of dangerous over on that side of the House. You know, those are the kinds of things that may catch on, and then think of the trouble he will be in with his own party for promoting those kinds of democratic socialist measures.

I suppose most of this economic planning probably will end up as rhetoric, but I think there is some move in his statement towards accepting the principle of economic planning in the agricultural community; and if he and his government are sincere, I commend them for it.

There are a couple of other comments I want to make before going into specifics on the issues that concern me. First, I want to say that everyone agrees our farmers are productive. I suppose it is probably due to about five things. The first is that we have a vast agricultural nation and, compared with many other countries, it is still rather virgin land. In the history of this country, high priority has been given to agriculture.

There has been a desire all around, among governments as well, for the retention of the family farms. Unlike what is taking place in the United States with the corporate farms, we on both sides of the House and out in the communities have recognized that for a great variety of reasons there is merit in retaining the family farms.

One of the reasons our farmers are so productive is that there has been a general advance in technology and agricultural science, and it is probably fair to say that some of that credit goes to the government of Ontario for the institutions they have established and the work they have done for agriculture.

Finally, and perhaps most important, they are productive because by nature our farmers are hard-working and want to produce in abundance.

Mr. Riddell: Using the words of Ev Biggs, farmers have been sacrificed at the altar of their own efficiency.

Mr. Swart: That is right. I wish my friend would quit taking the quotes I intend to use a little bit later on.

The second point I want to make is that farmers and their productivity at present are in the most serious jeopardy since the Depression. The financing load, which I am going to deal with, although it has already been dealt with;

the low and decreasing farm prices in our society; the trend, in spite of what the minister may have said, over the past two or three decades for imports to replace our own agricultural production; and finally, the loss of our best food lands—all these are pretty serious and have to be dealt with in a very positive and rather massive way if we are going to continue the leadership we have had in our farm production.

I want to deal with the matter I mentioned first in the issues: that is, the financing costs and the interest payments that farmers are having to pay at present. We probably would agree that more than anything else—and there are other factors—it is the high interest rates that have caused the financial crisis and the liquidation of farming operations by so many farmers. There are other things, like farm prices, but the high interest rates they have been forced to pay for the past two, three or four years are the main reason that has brought them to the serious situation they are in at present.

The member for Huron-Middlesex mentioned that there were 145 bankruptcies to the end of October. I agree that figure is probably going to get worse; there probably will be at least 175 to 200 to the end of this year. It has been stated, I suppose semi-officially, by the Ontario Federation of Agriculture that there are 10 others that fold for financial reasons for every one that goes bankrupt. I discussed this with a number of the people in senior positions at the OFA, and I think the figure is perhaps closer to 20. In any event, it is somewhere between 10 and 20. What we are saying is that this year there are probably going to be something like 2,000 to 4,000 farmers who are going out of business. That is quite a percentage when we have only 60,000 farmers in this province.

The really serious part of this is that the majority of those who are going out of business for financial reasons are the younger farmers. The farmers in their 50s and 60s who have their family farms perhaps have them paid off, and they are not in nearly as serious a condition as the young farmers in their 30s and 40s who have bought farms and very expensive equipment that they need if they are going to operate economically. They are the ones who have the huge debt loads and who are going bankrupt or going out of business for financial reasons.

It would be difficult to overestimate the seriousness of that. Those in that age group, the younger farmers, are the ones we will be looking to in the next 10 or 20 years to produce the food in this province, and they are the ones who are

being hit the hardest by the high interest rates on their financing costs. I doubt very much if the minister would disagree with me on that. I do not know whether any surveys have been done on this. I suggest that, if there are none, there should be. I would suggest they would confirm the comment I have made. It seems serious enough to me that we should know whether that is the case.

I want to put this matter in perspective for the House, this matter of these high interest payments on indebtedness versus the farmer's net income. I do not have to go any further than the minister's own publication, which demonstrates the frightening situation we are in. If we look at that document on farm operating expenses and depreciation charges from 1977 to 1981, and a five-year average from 1972 to 1976, we find the net five-year average from 1972 to 1976—and those were productive years for farmers, growth years for farmers, growth in the sense of larger operations and greater production—was \$650 million. The interest they paid on indebtedness was \$131 million, which is about 20 per cent of their net farm income.

9:50 p.m.

When we go up to 1981, that \$131-million average for those years had increased to \$633 million, and we find that the net farm income was \$835 million. That is 75 per cent, using round figures. The interest they have to pay is equal to 75 per cent of their net income. The minister and I both know that this year, for the first time, it is going to pass 100 per cent.

It is estimated—again, these are official documents; this is Crop Conditions in Ontario, July 23, 1982, monthly crop and livestock report—that net farm income will drop to \$655 million this year. We know that, if anything, later reports will show that it is going to be even worse than that. There is no question that interest payments are going to be higher than \$655 million.

That is pretty serious. It indicates a sad and dangerous economic situation in our society, and more particularly in the farm community. As I have already said, this situation is because of high interest rates more than anything else. Yet the Liberals and the Conservatives have promoted those high interest rates; in fact, they initiated them. They defend them as being desirable and necessary to fight inflation.

I think it is important to put on record the attitude of the Conservatives and the federal Liberals, and some provincial Liberals, with regard to these high interest rates. During

1979-80, when Joe Clark was Prime Minister of this country, there were four increases in interest rates. Although since then he has condemned the high interest rates of the Liberals, he really has no alternative. I have a newspaper report dated May 5, 1982, which is headed, "No Solution Quote Gets Clark Roasted in Prose and Poem." The story reads:

"Opposition Leader Joe Clark has become the laughing-stock of Liberal back rooms after telling a Montreal newspaper he can't think of an alternative to the government's high interest rate policy. 'We have looked for a solution other than the government's but we couldn't come up with an alternative,' he told the Montreal newspaper *La Presse* in an interview this week. 'At this moment, I do not have a better solution.'" That is Conservative Joe Clark.

The Ontario government has vacillated on this issue. I remember the Treasurer (Mr. F. S. Miller) saying here in the House that we have to have high interest rates, that he was not going to interfere with them. That may have been at the time Joe Clark was Prime Minister, but he supported the interest rates. Then, when public opinion showed strong opposition to the high interest rates, the Ontario government condemned the federal government.

But it is true that never once did the Ontario government, even at the Halifax conference, call on the federal government to take direct action to intervene with the Bank of Canada and order that the rates be reduced. The Ontario government has never done that. It has said, "If the federal government would change its policies and not run big deficits but do as we do here, we would not have high interest rates."

That is a lot of nonsense. Direct intervention was the only way those interest rates would have gone down then, and it is the only way they can go lower now, but the Tories would not do that.

Even in the debate on Bill 179, and whether it was said by the Minister of Consumer and Commercial Relations (Mr. Elgie) or by other ministers, I could bring out quote after quote about high interest rates having been necessary to fight inflation. I hope nobody over on that side will try to deny that.

The Liberals have done no better. I have here a newspaper article from the *Toronto Star*. The heading is, "Tighten Belts—MacEachen." He is quoted as saying: "Lower interest rates and better growth depend first of all on lower inflation." This means the government has no intention of relaxing monetary policy to reduce

interest rates." That is Mr. MacEachen. Of course, we know that to be the case.

Mr. McKesock: You have been doing pretty well on the Liberals and the Conservatives. Have you anything to say about the New Democrats?

Mr. Swart: Yes, I have a lot to say for the NDP government. The NDP government would have done what they have done in Germany. If the honourable member has read the papers recently, he will know that interest rates there are down to six per cent.

What surprised me most of all was the defence of the high interest rates by the Liberal member for Huron-Middlesex (Mr. Riddell) when he was speaking on Bill 179. The agricultural critic for the Liberal Party in this province, when farmers were being devastated, was defending the high interest rates.

I have Hansard here. He got up once or twice afterwards when I made these comments to say he did not say any such thing. I will just quote a little bit from Hansard. I think it is wise to have it on record. He says at page 4136: "In the opinion of some of the best economists in the country, and I have read many of their works, a restrictive monetary policy supplemented with temporary wage and price control represents the best policy choice if society wants to permanently lower the inflation rate."

Mr. Riddell: That is what the economists said.

Mr. Swart: Just a minute. He goes on to say at page 4137: "Thus the term 'anti-inflation monetary policy' should be understood as a euphemism for restricting demand, rising interest rates and rising unemployment. The cutting edge of an anti-inflationary, restrictive monetary policy is a large pool of unemployed workers who will increase the competition for jobs and thereby restrain wage and price increases. The economic cost of a tight monetary policy to lower the inflation rate is a short-run increase in the interest rate and the unemployment rate. The magnitude and duration of this short-term pain depend crucially on how quickly the market system adjusts to changing economic circumstances."

Then he goes on to say at page 4138: "First, we have the restrictive monetary policy, and to expedite that so we can get the inflation rate down, governments then impose wage and price controls. It is simple and pure economics."

He goes on to say at page 4139: "Proposals to lower interest rates in ways that would accelerate inflation are a contradiction in terms and

would soon aggravate rather than alleviate stagnation."

The really choice part is where he says, at page 4137: "I will tell you I have researched work done by the economists and I have yet to run across an article where the economists would refute the things I am saying. If you can come up with it—" Then there was an interjection. "I got all the material and articles I could out of the library and I have yet to come across an economist who would refute the things I am saying. If you can do it, then get up and make a speech."

I just want to quote for him tonight a few comments from economists, because there are none so blind as those who will not see. Obviously he rejected all the economists who did not agree with him.

There is a man by the name of John Kenneth Galbraith, who some people in this House may have heard about. He says in the *Globe and Mail* of Friday, October 2, 1981: "Canada should divorce itself from the high interest rate policies of the United States." He then goes on to talk about the need to lower the interest rates and says, "All the old elements of failure are somewhat exaggerated." He is talking about those who say it cannot take place.

Did the member hear of the economist Ernest Russell? He is a consulting economist and a fellow of the Royal Economic Society. His article is in the magazine *Canada*. He says: "In present circumstances, control of money supply and the exaction of a very high-price interest rate for its use confers a death grip on every sector of the economy from megaprojects in the petroleum section and the nation's major merchandizing chains, through average business enterprises, down to independent craftsmen and the individual consumer."

"The western tar sands projects have been put on hold because of constantly escalating costs of financing. The Hudson's Bay Co. recently stated that increased interest rates last year added \$177 million to their unanticipated expenses." He says: "High interest rates are a direct major addition to every cost which, pyramided through the entire production process at all its levels and distributed to all its phases, is quite capable of doubling, tripling and even quadrupling selling prices."

10 p.m.

He says further: "To assert that a restricted money supply and high interest rates will wring inflation out of the economy and will maintain the exchange value of Canadian dollars is to

demonstrate either a monumental lack of contact with the real world or an intention deliberately to mislead the naïve public."

Has the member heard of that economist? Did he ever hear, perhaps, of Walter Gordon, who has been fighting for two years as an economist against the high interest rates?

Mr. Riddell: Let's get back to agriculture.

Mr. Swart: I am dealing with agriculture, because, as I have already said, there is not a single factor or input that has destroyed the farmer more than high interest rates. If there is one thing I want to do in my speech this evening—I suppose it is a futile hope—it is to convince the members of parties on both sides of this House that there must be direct intervention in the interest rates at the federal level, promoted by this government, if we really want to get out of the economic malaise we are in at present.

This quote is from Mr. Reuben C. Bellan, professor of economics at St. John's College, University of Manitoba. I will not read all of what he has said, but he said in a recent public address:

"Gerald Bouey, governor of the Bank of Canada, expressed disappointment in the poor performance of industrial economies, including the Canadian, in recent years. As their worst failures, he singled out high unemployment, many bankruptcies, lagging productivity and stagnant real income.

"Bouey's concern about Canada's dismal record reminds one of the man who killed his parents and at his trial pleaded for mercy because he was an orphan. For it has been policy applied by Bouey that has been largely responsible for Canada's high rates of unemployment, numerous bankruptcies, low productivity and disappointing real income."

I promise the member for Huron-Middlesex that I will send him copies of these, because he could not find them in all the research he did on economics. I want to send them to him as soon as I have finished with them so that perhaps he will have some balance or perhaps he will change his position of defending a defenceless federal government.

What we really have is a Liberal government in Ottawa supported by the Tories there, and a Tory government in Ontario supported by the Liberals here, saying: "We have to have high interest rates. They are desirable."

Mr. Shymko: We never said that.

Mr. Swart: Of course; that is this government's policy.

Interjections.

Mr. Swart: Sure, I am paraphrasing, but it is accurate.

The Deputy Chairman: Order. The member for Welland-Thorold has the floor.

Mr. Swart: Their attitude is that if hundreds of thousands of people are wiped out of jobs, if farmers go broke and their income is cut by 25 per cent, if business, big and small, folds, tough: that is part of the price you have to pay. They say, "We are not going to deviate from our doctrinaire theories on monetary policy." That is what the Conservatives here and the Liberals in Ottawa are saying, and they are supported by the other two parties.

I suppose the Liberals and Tories here will say, "Look, interest rates are coming down and inflation is dropping." In fact, the Treasurer bragged about that here the other day in the House. I ask the minister whether he is proud of it. When net farm income is down 25 per cent, when the farm industry is belly up, when two thirds of a million people are out of work in this province, when the demand for consumer goods and capital is no longer there—because interest rates and prices moderate slightly, are they cheering? Is that really something to cheer about? That is the situation.

It reminds me of a cartoon I saw about nuclear war, and I presume many of the members have seen it. In this cartoon, Russia, its allies and all of their people were wiped out. All of the cities in the west were devastated. Then a man came up from the subterranean hole where he had been living. He looked around, where not a building was left standing or a green blade of grass showing, and said, "Hurrah, hurrah, we won."

That is the same sort of thing those members are saying here when inflation comes down one or two points. They have devastated the economy by the high interest rates. There is another dimension to these interest rates, because the Liberals and the Tories refuse to control them. No one knows where they are going to be six months or a year from now. They do not know where the interest rates are going to be, whether they will be down to eight per cent or back up to 18 per cent.

Mr. McKesock: What did they do the last six months?

Mr. Swart: They came down. That is just what I am saying. One does not know where

they are going to be eight months from now. Who is going to go into debt? What farmer is going to invest, what farmer is going to borrow another \$50,000 or \$100,000 to buy machinery or whatever the case may be when he does not know where interest rates are going to be because the government will not control the interest rates?

They do not know what interest rates they are going to have to pay when they pay off the debt. Even the lower interest rates now are not really providing the benefit they could if the government gave some guarantee it was going to hold them at least to the inflation rate.

This private enterprise system by the banks and the government to let interest rates go wherever they like is suicide. Interest rates are where controls have been needed and are needed now. I want to say to the Liberals that if they are so stuck on six and five, why do they not try that on interest rates and not on wages? I want to say to the Tories over there, if they are so stuck on nine and five why do they not try that on interest rates and not on wages?

There is something badly wrong or something pretty sick with governments that will control wages, in fact will break contracts to control them, but will not control interest rates when they are the real cause of our economic problems.

Interjections.

The Deputy Chairman: Order. The member for Welland-Thorold has the floor. I trust the honourable members will allow the member to continue without these distractions and interruptions.

Mr. Riddell: Mr. Chairman, on a point of order: I do not think we can allow the member to continue misrepresenting what we have said or what the farmers in the country are saying. The farmers are saying, "If you pay us the price our products are worth we are prepared to live with the high interest rates."

The Deputy Chairman: That is not a point of order.

Interjections.

The Deputy Chairman: I trust the honourable member will be able to continue now that they have quietened down.

Mr. Swart: I trust so, Mr. Chairman. One does not get interrupted and shouted down when one is making preposterous statements. It is when one is hitting home so that it hurts that one gets interrupted.

10:10 p.m.

Mr. Ruston: I am glad to hear that. Now we will know when you fellows are hootin' and hollerin'. Thank you very much.

Mr. Swart: It may be that in the circle the member for Huron-Middlesex moves farmers are not concerned about high interest rates, but if that is so it is an unusual circle. The farmers I talk to are very much concerned about high interest rates and would agree that is a major problem they have faced over the last three or four years.

Mr. Riddell: If you give them the price for their products they will live with the high interest rates. They do not want to be given any more special consideration than any other business person.

The Deputy Chairman: Order.

Mr. Swart: We in this party are not asking that they be given any more consideration than any other business person. We think the interest rates should be a hell of a lot lower for people who have mortgages to pay. We think they should be a lot lower for small businesses that operate on borrowed money. We think they should be uniform across this province. The consumers, regardless of what field they are in, should not be paying excessive prices for everything they buy because somebody has decided that interest rates should be doubled or tripled. That is what we believe in this party.

I suppose there is an alternative to intervening on high interest rates. They are saying over here: "Leave interest rates high, that is no problem. Deal with them in some other manner. The alternative is to assist or subsidize those who are being hurt by those high interest rates." That is really pretty ineffective, because the sums required are so vast that no government can meet more than a small percentage of the need. Our research department computed that the difference between 10 and 20 per cent interest rates on mortgaged homes in Canada is between \$5 billion and \$6 billion a year. Is the minister saying he is going to give those kinds of subsidies? Of course not.

Another example is that for the last three years Ontario farmers have paid a half billion dollars more in interest payments than if the rate had been at 10 per cent. That is approximately a half billion dollars Ontario farmers have paid in the last three years. This year alone they will pay in the neighbourhood of \$150 million to \$250 million extra. Is the minister going to find that kind of money to reimburse them for those excessive interest rates? Some

provinces have gone quite a way, but Ontario has not gone very far, has it?

The government paid something like \$13 million on one program and \$5 million on the sow weaner program, if I am correct. That is about \$18.5 million the government is paying out this year because of the desperate situation the farmers are in because of the high interest rates. Ontario has done practically nothing. As the member for Huron-Middlesex said, this is the only province in Canada that is not extending long-term credit to the farmers.

I would like to put on the record what the other provinces are doing. Ontario with 60,000 census farms has no long-term credit whatsoever. British Columbia with 10,000 census farms has provided \$18.6 million. That is the amount outstanding and that is an average of \$1,765 per farm. That does not mean everybody has it, but that is the amount per census farm. Alberta has \$659 million outstanding, 47,000 census farms, and the average it pays per farm is \$14,130. Saskatchewan has \$129 million, 60,000 census farms, \$2,130.

Manitoba has \$152 million outstanding on its provincial long-term farm credit, 24,000 census farms, \$6,000; Quebec, \$1.096 billion, 33,000 census farms, \$32,000 average per farm; New Brunswick, \$53 million, just over 2,000 census farms, \$24,000 per farm; Nova Scotia, \$99 million, 2,480 census farms, \$39,919, practically \$40,000 average per farm; even little Prince Edward Island, \$18 million, 2,223 census farms, an average of \$8,000 per farm; and Newfoundland, an average of \$12,000 per farm.

When we raised this in the House the other day, if I remember correctly, the minister said two things. He said: "We agreed a long time ago that is a federal government responsibility. We are not going to get into long-term credit and we are pushing them to provide a greater amount of credit." I think that is paraphrasing the minister fairly accurately. Then he went on to say: "I think the member would also be interested in seeing some information which was printed recently, I believe, in the Windsor Star, and I would be glad to send him a copy of the article detailing how some of those credit policies in another province, in this case in Quebec, have if anything worked to the detriment of many farmers in encouraging overindebtedness and extremely poor credit positions."

Surely the minister recognizes that the percentage of bankruptcies in this province is much higher than in Quebec. The percentage of bankruptcies has been the highest of any prov-

ince in Canada last year and this year. How can he make a statement like that? The real benefit of these plans, of course, is that they provide a lower interest rate. There is no question about that; they provide a substantially lower interest rate.

I have here Farm Credit in the Canadian Financial System, a recent publication by the Farm Credit Corp. Canada, which, of course, the minister will have. It shows that the average interest rate of the provincial government agencies in 1980—those are the latest figures available—was 11.1 per cent. The banks were at 15.3 per cent. That was on long-term loans. That is a tremendous difference: 11.1 per cent to 15.3 per cent. Even on intermediate loans the banks were charging 15.8 per cent and the provincial governments were at 13 per cent.

How can the minister say this is not really a benefit to the farmers and by some convoluted reasoning say in this House that those farmers in Quebec are worse off because they are getting this, when we are having more bankruptcies for census farms and when they are getting cheaper interest rates? That is just so much nonsense.

Even on the short term it is difficult to get the figures. Some of them are in that book, but I think we can agree that it is very difficult, because there are various programs and so on, to decide exactly what any given province is doing in short-term assistance to their farmers. But certainly Ontario is not out front in that.

Perhaps the best example to give of where we stand is the percentage of our budget that we are spending on helping the farm communities. I want to read these into the record. In Saskatchewan they spend 3.25 per cent of their budget on agriculture; in Alberta it is 1.98 per cent; in Prince Edward Island it is 4.5 per cent; in Manitoba it is 2.1 per cent; in Quebec it is two per cent; in Nova Scotia it is 1.3 per cent; and then in Ontario—and I have listed the main agricultural provinces—it is 1.2 per cent of the budget this year.

That is by the minister's own figures in the briefing material that he gave us: \$179 million in assistance to the farmers this year. It has already been stated that he has not carried through with the promise that he and his government made in the budget last spring to assist the starting farmers.

10:20 p.m.

I would like to remind the minister of what was said and hope that in his reply to the member for Huron-Middlesex and myself he will refer to this statement in the throne speech,

on page 7, referring to his government: "It places a high priority on continuing to attract young people to establish themselves in this vital sector of our economy"—agriculture, of course; and these are the significant words—"and will introduce a new measure to provide them with startup capital assistance." He has been postponing that again and again until we have every reason to believe that he has little or no sincerity in carrying out that promise this year.

As already mentioned, the Ontario farm adjustment assistance program has paid out something like \$13.6 million. I noticed the minister neglected in his speech to the Ontario Federation of Agriculture to state the actual payout. He mentioned the amount of loans he had guaranteed and that sort of thing. I do not blame him for being a little ashamed when he has set up \$60 million in a program and he has paid out only \$13.6 million.

Am I right in assuming that he has paid nothing yet in guarantees? I hope he will answer on that. Quite frankly, I hope that would be the situation. But to use \$13.6 million to deal with the problems faced by the farmers of this province is simply preposterous. It cannot start to meet the needs that exist there.

I am sure the minister knows that in spite of the manner in which he dressed it up, the likelihood is that the two programs he dealt with—the OFA tax reduction program and OFAAP—will likely eventually pay out substantially less to the farmers next year than they have this year. With the desperate situation they are in, that is a wholly unsatisfactory answer.

With his farm tax reduction program, he raised it from \$5,000 to \$8,000, and I am going to dwell on that. For all the reasons given by the member for Huron-Middlesex, there are going to be a lot of farmers who are not going to get it

this year who would have got it if he had left it at \$5,000.

Under OFAAP, with interest rates lower, if they stay there—I certainly hope they do, but there is no guarantee—and the extension of the plan on the same basis, dealing only with whatever is over the 12 per cent, he is going to be paying out substantially less there, even though he estimated this year that he would pay out \$5,000 and ended up paying out only \$3,000.

What we have here is a government which, at the most crucial time in the province's farm history, is drawing back on the assistance to farmers. The farmers' needs have never been greater and it has never been more crucial to bridge that gap, the gap where they find themselves now, where thousands of them are teetering on the brink of financial disaster. They may see lower interest rates down the road, but they must have some help to get over that short period of time and the minister is cutting back on the payments to them.

On this whole matter of farm finance the Ontario government's record, past and present, is dismal and it is going to be worse in the coming year. In summary, what the minister has done is to support, along with the Liberals, a high interest rate policy which has been and is devastating to the farmers; and he has done almost nothing to relieve the massive impact on them. That is a factual statement.

I want to move on to the second area I wish to cover and that is the matter of farm produce, but, Mr. Chairman, because I will be dealing with that for some 20 or 25 minutes, if it is your wish that you want to see the clock at this time, I would be glad to accept that.

On motion by Hon. Mr. Timbrell, the committee of supply reported progress.

The House adjourned at 10:27 p.m.

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No. 158

Legislature of Ontario Debates

Official Report (Hansard)



Second Session, Thirty-Second Parliament

Tuesday, November 30, 1982

Afternoon Sitting

Speaker: Honourable John M. Turner

Clerk: Roderick Lewis, QC

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LEGISLATURE OF ONTARIO

Tuesday, November 30, 1982

The House met at 2 p.m.

Prayers.

STATEMENTS BY THE MINISTRY

VEHICLE REGISTRATION

Hon. Mr. Snow: Mr. Speaker, I would like to bring the House up to date on our new plate-to-owner vehicle registration system which comes into effect tomorrow, December 1.

The main distinguishing feature of our new system is the registration of the licence plates to the owner instead of the vehicle. When owners sell or scrap their vehicles, they will keep their licence plates and put them on their next vehicle, which will put an end to those annoying parking tickets and summonses that went to previous owners for vehicles they had sold, simply because they did not insist on an immediate ownership change.

Plate-to-owner is a completely on-line system with other numerous inherent benefits. For example, the staggered renewal feature will enable owners to validate their registration on their birthday and thereby put an end to the long February lineups.

During 1983, we will ease everyone on to the staggered renewal schedule. To do this, we have divided the calendar year into two parts, the first from January to May, and the second from June to December.

Owners whose birthdays fall in the first half of the year will pay a prorated price for a sticker valid from January 1, 1983, to their birthdays in 1984. Owners whose birthdays fall in the second half of the year will pay a prorated price for a sticker valid from January 1, 1983, to their birthday in 1983. After that, owners will renew on their birthday each year and pay a flat annual fee each time.

The fee for passenger cars and personal-use light trucks and vans will be \$48 per year or \$4 a month. Motorcycle stickers will cost \$24 a year and moped stickers \$6 a year. In northern Ontario, the \$48 fee will be reduced to \$24. The new stickers will be colour-coded by month and they will be placed on the upper right-hand corner of the rear licence plate.

Annual stickers for commercial vehicles

weighing 3,000 kilograms or less will be \$72. The fee structure for commercial vehicles weighing more than 3,000 kilograms will not change. It will continue to be determined by the weight of the vehicle.

Commercial vehicles will display their stickers on the upper right-hand corner of their front licence plate instead of on their windshield as of March 31, 1983.

All owners will receive an invitation to renew approximately 45 days before their renewal date. That invitation will show whether there are any unpaid parking tickets or not-sufficient-funds cheques, for which the owner may be denied renewal unless these fines are paid at the time of the renewal.

Plate-to-owner also introduces a whole new range of combinations available for personalized plates. Under our new system, these plates may have as little as two or as many as six characters and they may be arranged in any combination of letters and numbers except those combinations used on regular plates. If only numbers are being used, a maximum of four may be combined. I should not have to add, but I shall for the record, that any objectionable combinations will be denied.

Beginning June 1, 1983, such personalized plates may be ordered at any licence issuing office for an additional fee.

ONTARIO TECHNOLOGY CENTRES

Hon. Mr. Walker: Mr. Speaker, I want to report further on Ontario's technology centre program and developments that are taking this program ahead on schedule.

First, I am pleased to report that the Board of Industrial Leadership and Development, BILD, has approved allocation of funds for the Ontario centre for resource machinery in Sudbury. The allocation, \$20.1 million, will be employed in programs to support the development of new machinery for the forestry and mining industries.

Funds also will be earmarked on two other counts: to provide economic and market analysis relating to production and trade machinery for forestry and mining, and to put in place a well-targeted program of communications—publications, seminars and training—to encour-

age new investment and other new initiatives in the resource and machinery field.

I would like to note two other features of the Sudbury centre. As a main objective, it will support small businesses and machinery companies located in northern and eastern Ontario. In addition, the centre will work closely with northern post-secondary educational institutions in the research aspects of its work with industry.

The appointment of a board of directors for the resource machinery centre is imminent. Its composition will be drawn from industry—

Interjections.

Hon. Mr. Walker: Am I interrupting the members by any chance?

Mr. Speaker: Proceed, Minister.

Hon. Mr. Walker: Its composition will be drawn from industry, labour and northern universities. I expect also we will be in a position to name a president by the end of the year.

The Sudbury centre is, as members know, one of six in our five-year technology centres program. It is also the fourth to have received BILD funding approvals based on hard five-year business plans that constitute the foundation for the program overall. The two remaining business plans, one for the automotive parts centre slated for the Niagara region and the other an agricultural centre which will be located in Chatham, are under detailed review at this very moment.

Further on this update, the members may be aware of the appointment of Mr. Lionel Hurtibise as president of the Ontario Centre for Microelectronics in Ottawa. His selection concludes a lengthy search. Mr. Hurtibise, who is currently president and chief executive officer of International Systcoms Ltd. of Montreal, the world's largest manufacturer of radiotelephones, brings distinguished credentials to the post.

The Ontario Centre for Microelectronics was formally launched last week, and at that time I reported to the House that all six centres, except one, would be open and operational by the end of the year, the sixth coming on stream in January. I am pleased to report that things are on track.

Our plan is to formally open the remaining five centres this month and next. We will cut the ribbon according to the following timetable: December 14, the Ontario centre for automotive parts; December 15, the Ontario centre for resource machinery; January 31, the Ontario centre for farm machinery and food processing; and, early in February, the Ontario centre for

robotics and the Ontario centre for computer-assisted design and computer-assisted manufacturing, CAD/CAM, in Cambridge.

All members will be most welcome to attend these official openings, and they will be receiving invitations soon.

2:10 p.m.

MINISTRY OF HEALTH CALENDAR

Ms. Copps: Mr. Speaker, in the continuing saga of Ministry of Health calendars, I would like to point out for the edification of all members of this House something that I am sure the Minister of Health (Mr. Grossman) with his penchant for accuracy will be very concerned about.

That is the fact that the Ministry of Health's calendar is incorrect in the date that it places for the holiday of Hanukkah. In fact, the holiday of Hanukkah is not December 1; it is December 11.

Mr. Speaker: Order.

Ms. Copps: This is simply to correct the record and to correct the minister's \$200-come-\$2 calendars.

Mr. Speaker: As interesting as that may be, I have to point out that it is not a legitimate point of order.

VISITORS

Mr. Allen: Mr. Speaker, I am sure you would like me to call to your attention and to the attention of the House the presence in the gallery of some distinguished representatives of your own riding and of ridings of other members across the province, namely, the blind clients of the audio library at Trent University who today are launching a human rights case against the Ministry of Colleges and Universities.

ORAL QUESTIONS

SALE OF RENTAL UNITS

Mr. Peterson: Mr. Speaker, I have a question for the Minister of Consumer and Commercial Relations. The question is in regard to the complex transactions between the various trust companies involved in the Cadillac Fairview-Greymac purchase.

As the minister is aware, on October 7, 1982, Greymac Credit acquired control of Crown Trust. On October 25, 1982, Crown Trust moved to acquire from Greymac Credit full ownership of Greymac Trust.

What we have here is a recently acquired subsidiary paying moneys to its parent for

another subsidiary. This is commonly known in the trade as a non-arm's-length transaction. In effect, the end result is no overall change in control, but Greymac Credit is pocketing millions of dollars in cash and securities from Crown Trust.

Given that Greymac Credit was both purchaser and vendor of the original Cadillac Fairview building, that Greymac Trust is a mortgagee on title of all or some of these properties and that, according to the minister, Crown Trust is involved in some way in the financing of the apartment transactions, can the minister indicate what connection, if any, exists between this pocketing of millions of dollars by Greymac Credit and the apartment building transactions or any other related sales in this series of transactions?

Hon. Mr. Elgie: Mr. Speaker, I do not know that I have the information on which to evaluate the statement by the Leader of the Opposition that there has been a pocketing of money. If by that he means there has been some wrongful acquisition of funds, then I think certainly that is a matter that has to be examined very thoroughly.

Surely he can understand, though, that the matters he is referring to—particularly the arm's-length relationship, not only between themselves in transactions but also vis-à-vis their individual or corporate relationship with the trust companies—will be matters that will be addressed in the Morrison inquiry that is under way now.

Mr. Peterson: When the minister first announced the Morrison inquiry, he said it was to investigate the value of the mortgages granted by the trust company. Each time we bring up a new concern in this House, he is expanding the Morrison inquiry to take new concerns into account.

I want to know whether the Morrison inquiry is going to determine whether Crown Trust is paying a fair price for the shares of Greymac Trust. Will this determination be made, or would he not be a lot wiser to include all these matters together in a public inquiry rather than adding piece by piece, day by day, to the terms of reference of that inquiry?

Hon. Mr. Elgie: I am not adding day by day to the terms of reference of the inquiry. I have said from the beginning, and so has the Premier (Mr. Davis) in his remarks, it is my belief that to evaluate the matters the examiner is required to evaluate under the Loan and Trust Corpora-

tions Act, he and his assistants, and by that I mean law firms as well our investigators, will be required to look into the transactions that took place between the parties and to evaluate the relationships between the individuals or corporations and the trust companies.

I have never strayed from that position. To suggest there is a piecemeal adding-on to that is inappropriate. What I have said is that the study is proceeding. We expect certain information will become available. On the basis of that, we will decide whether any other options are necessary to clarify the issues that have been raised.

Mr. Rae: Mr. Speaker, on a number of different occasions in the past two weeks we have had two very different themes from the minister as well as from the Premier. One theme is that in some way or another the truth will out with respect to this transaction. The Premier said he would be very surprised if it did not.

The Premier said he was relatively satisfied the bulk of the information with respect to these transactions would come out. Today the minister was quoted in the *Globe and Mail* as saying, "I don't know if we'll ever know the individual identities of the investors."

Given the difference in both tone and substance in these two replies as to whether we will ever know, on the basis of the Morrison inquiry, the identities of the investors and the answer to the question of who now owns these buildings, will the minister today order a full public inquiry into this entire transaction so we can get to the bottom of it and the mystery will at last come to an end?

Hon. Mr. Elgie: Mr. Speaker, if the suggestion arising from the honourable member's question is that I am not determined to get to the bottom of the issue, then he is not on the right wicket in that area. This minister and this government are determined that there will be a full understanding of the transactions and the relationships between the parties, be they companies or individuals. What the Premier has said and what I have said are consistent. It is my belief that the very nature of those transactions will require the special examiner to look into those relationships.

As to who the real investors are, I have made it clear in estimates and at other times that the Residential Tenancy Commission will have the authority under section 93, where it has an obligation to see through the nature of transactions, to determine beneficial ownership. I have also indicated that we are involved in endeavor-

ours to ascertain and confirm that the investors were Saudis and that there was a flow of money. I am determined that we will receive that information one way or another.

Mr. Peterson: The minister is aware that we are interested in getting to the bottom of this complex issue which we have been discussing piecemeal over the past few weeks in this House. I want to point out to the minister that, under section 91 of the Loan and Trust Corporations Act, a trust company is required to keep corporate books. Furthermore, a depositor of a trust company or his agent shall, pursuant to the act, have access to those books during business hours.

For two days in a row, a member of my research staff acting as an agent for a depositor has been denied access to the books of Greymac Trust and Crown Trust by these companies. Under section 205, such a denial is an offence under the act. Will the minister, as the person ultimately responsible for administering this act, advise whether he will request the crown attorney to prosecute these companies for this violation?

Hon. Mr. Elgie: If the individual who made that application wishes to bring that information to the crown attorney, and if it is as stated by the Leader of the Opposition, that is certainly an issue the crown attorney will have to make a decision on. The Leader of the Opposition may wish to ask the Attorney General (Mr. McMurtry) about it.

Let us be clear. If there is any implication in the question that this minister or this ministry was involved in that refusal, that is ridiculous. If there is any information it is possible for us to provide that the member feels is important and is not able to get, if it is within my capability to give it to him, I will be pleased to discuss it with him. But with respect to the rights of an individual who he claims has had his rights aggrieved, he knows the options and so does the individual.

2:20 p.m.

FARM TAX REDUCTION PROGRAM

Mr. Peterson: Mr. Speaker, I have a question for the Minister of Agriculture and Food; it concerns the sale of Ontario resources, i.e. farm land, to foreign investors who prefer to remain anonymous. I am sure the minister is aware of the information we made public this morning.

I am also sure the minister is aware of the offer to purchase agreements that nonresident

foreign purchasers are using, which as a condition of sale require that "prior to the closing of this transaction the vendor shall, at the cost of the purchaser, cause to be incorporated a new Ontario corporation owned by the vendor."

Will the minister confirm that this loophole allows foreign buyers to slip easily through the registration legislation by incorporating an Ontario company and acquiring the farm land undetected? Now that the minister has had almost a year in which to review his findings, can he tell us how long he has known about this practice, how many of these purchases have been handled in this manner and whether any fines have been levied on any individuals or corporations in the circumstances?

Hon. Mr. Timbrell: Mr. Speaker, in reviewing the updated figures over the past few months with my staff and in discussing with them their concerns about whether certain properties were registered which they had reason to believe from local contacts around the province had been sold, I have concluded that we should recommend to my colleague the Minister of Revenue (Mr. Ashe) that certain things should be done with respect to the Land Transfer Tax Act. That is not to say that what they are doing is illegal. Of course, there is a loophole there. The Minister of Revenue agreed that it should be closed, and he will be bringing forward amendments to do that.

I have not had a chance to look over the material the honourable member released today at his press conference. I am told he did not take a position one way or the other, but it is entirely possible that some of the transactions he discussed at his press conference were registered as being foreign-owned under our legislation. If that is his concern, it is entirely possible that they were registered. But there is a loophole there that in our view should be closed, and it is going to be.

Mr. Peterson: This loophole has existed for years and years, since 1974. In fact, the former Treasurer, John White, promised to clean it up then.

What is the extent of the practice of people avoiding paying land transfer tax, at least the foreigners' rate? What are his ministry's statistics on how much of that has taken place in the past few years? How many acres have been transferred using that loophole? Where is the money coming from? Who are the true shareholders? Who is going to be controlling those vast acreages which it appears have been

transferred right under the minister's nose over the past few years?

Hon. Mr. Timbrell: It is impossible to know exactly how much. It could be very little; it could be more significant than that. But having found that there is such a loophole, I felt it incumbent on me to recommend a change. I found my colleague quite amenable to the suggestion, and he is going to bring forward that change.

Mr. Swart: Mr. Speaker, how is the minister going to determine who is the new owner and whether it is a foreign owner, unless his government changes its legislation so that we have corporate disclosure?

Hon. Mr. Timbrell: Mr. Speaker, I believe we can do that by beefing up our inspection staff. As members know, at present we have only one person assigned to it. We are going to engage a couple more. We can zero in on these cases and, with the co-operation of the Ministry of Revenue, I think we can rectify them.

Mr. Riddell: Mr. Speaker, since we drew to the attention of the minister back in 1978 that these foreign interests were buying up our land and evading the land transfer tax, and now he has decided to act, why is it that we cannot get access to his files, which he refers to as "the bank," containing the information he is able to get under the Land Titles Act? Why, when we phone to find out how much land has been sold to foreign interests according to his records, are we not able to get that information so we can compare it with the information we have obtained from the registry offices?

Hon. Mr. Timbrell: Mr. Speaker, I do not know whether the honourable member was still here on Friday or had gone to the Grey Cup party when I gave the gross figures. The report is at the printers. As soon as it is printed, and I hope to be able to release it later this week or early next week, he will then have the data that we have.

SALE OF RENTAL UNITS

Mr. Rae: Mr. Speaker, my question is for the Minister of Consumer and Commercial Relations and it relates to the Cadillac Fairview transaction.

Apparently the minister made a statement to the press yesterday, indicating that he was now of the view that a trust company by the name of Seaway Trust had a direct interest in the Cadillac Fairview apartments as of today and that it was holding mortgages worth \$76 million.

Can the minister tell us who owns Seaway Trust?

Hon. Mr. Elgie: Mr. Speaker, the information the honourable member refers to is not new; it has been public information for a long time. Seaway Trust is required under the Securities Act to file certain documents and, to the best of my recollection, it did so on November 9. In them they indicated that as part of the transaction they had acquired a participating interest in the equity of the company; so that is nothing new. Those who have read the newspapers have known that fact for some time.

As to who the directors and so forth are of Seaway Trust, that information is available through the search branch of the ministry.

Mr. Rae: The minister has avoided my question. My question was not who are the directors, but who are the owners? The minister does not know, because he cannot find out.

In relation to that, the minister stated in the House today that he is determined to find out the relationships that exist in these transactions. How can the minister possibly find out what relationships exist when he does not know who the parties to the relationship are? How can he possibly find out that information when he is refusing to take into hand the type of inquiry that would allow him to determine who the parties to the relationship are? How can he determine a relationship when he does not even know the identity of the parties concerned?

Hon. Mr. Elgie: I can understand perhaps how the member is confused, because he does not seem to understand just what terms of reference are involved under the Loan and Trust Corporations Act with respect to the Morrison inquiry. They are to carry out an examination, an audit and a general inquiry into the conduct of the business. If the member thinks they are playing cards or something like that, then he should review his thinking on this matter. He should understand that these investigations are being carried on under part II of the Public Inquiries Act with the powers of that part.

This is a serious inquiry into the companies involved, to determine information that I have related to this House on several occasions. There is no mystery about it, and this government and this minister are determined that we will have a thorough understanding of those transactions.

Mr. Peterson: Mr. Speaker, I believe my information is correct, that section 152 of the

Loan and Trust Corporations Act is a little-used section. We do not know, and there is not a great body of knowledge of what is included under that inquiry except by reading the statute itself. It has not been widely used. It was only when we pointed out to the minister that he could use it that he even started to look at that avenue. That is a reality too.

I want to ask the minister this question because if one takes his suggestions and comments at face value, and I do, then the terms of reference of the Morrison inquiry have expanded somewhat from the day it was originally announced and the things he wanted to include therein have expanded somewhat. To satisfy those of us who are concerned that he is not getting at all aspects of the deal, will he table in this House the formal terms of reference so that we will know what he and Mr. Morrison will and will not be looking at? Then we can avoid this kind of daily picking away at him so his entrails are showing.

Hon. Mr. Elgie: Mr. Speaker, the honourable member can pursue the picking away, but I suspect it is only those stubby nails of his that are going to get more stubby. This minister's entrails will never be on any floor because the member is in the same room, I will tell him that. It is nice that he seems to take some personal pride in having discovered section 152 and I hate to detract from the great pride he has in this secret information, but that section was known to me long before he suggested it, and the terms of reference of the Morrison inquiry are in keeping with that act.

2:30 p.m.

I have said, the Premier (Mr. Davis) has said and the government has said it is our belief that in order to get to the heart of the issues raised by that inquiry it will be necessary to understand the nature of the transactions and the arm's-length relationship of the parties involved. There is no change in that. He can pick away with his fingernails, his toenails or his teeth, and it is still there.

Mr. Rae: Mr. Speaker, perhaps the minister can answer this question directly. Under what authority will Mr. Morrison be able to determine the ownership of Kilderkin Investments or of any of the numbered companies that are involved in these transactions? If there is no such authority, and if Mr. Morrison has no such right to ask those questions, and the minister knows this inquiry is not going to be a tea party, as he has described it, and it is not going to be a

card game, as he has described it—there are some very tough players involved in this operation—why should either Kilderkin Investments or any of the numbered companies divulge information to Mr. Morrison when they are under no legal obligation to do so?

Hon. Mr. Elgie: I can only reassert what I said before, and that is, it is my belief that to understand the transactions, the examiner will have to, of necessity, obtain information of the kind the member has asked about. Regardless of that, I have said I am keeping my options open with respect to the need for any other steps, should they be necessary, because we are determined, as all members of this House should be, to get to a full understanding of the transaction that took place here.

Mr. Rae: The minister has not been successful so far.

GAS PRICE DIFFERENTIAL

Mr. Rae: Mr. Speaker, I would like to address a new question if I could to the Minister of Consumer and Commercial Relations with respect to another investigation he has been very reluctant to order.

Given Mr. Ouellet's specific refusal in the House of Commons last week, in answer to a specific question, to order an investigation into the differential between leaded and unleaded gas, given the statement by the Premier (Mr. Davis) in 1975 that in his view it was the responsibility of and did come within the jurisdiction of the province to order a control on prices specifically in the energy field, and given the statement by the Attorney General (Mr. McMurtry) in 1979 when he again indicated specifically that the province did have the jurisdiction to order rollbacks in prices and to order freezes in prices where the province felt that was justified, how can the minister justify the delay in a provincial investigation into the differential between leaded and unleaded gas? Why does he not carry on an investigation right away and come up with an answer for the consumers of Ontario?

Hon. Mr. Elgie: Mr. Speaker, what I have said, and what I have tried to imply in conversations I have had, is not that this government is not concerned with the differential. What I have said is that the federal government—and let us understand we are not trying to shift responsibility here or protect turf—has initiated an inquiry into petroleum products and pricing in general.

We have now seen evidence of a report that

has been carried out by the federal government with respect to this very issue. Unless all of that time, effort and money was spent to obtain a report that could be leaked out for no reason and for no purpose on their part, I would suggest to the member he should be concerned that all that time and effort was going into it when they did not intend to do anything about it. My present position is that they should. It is a national issue and I have said so to Mr. Ouellet and I am awaiting his answer.

Mr. Rae: There is no mystery. We know Mr. Ouellet's answer. Mr. Ouellet has said specifically that he does not have power to control prices in the private sector in Canada unless it comes under the terms of the Combines Investigation Act, and he is satisfied that there is no case under the Combines Investigation Act. We know that answer. That answer is on the record. It has been on the record for nearly a week.

Given that the answer has been on the record for a week and given the fact that the delay is costing consumers—if the figures contained in the report are correct—some \$200,000 a day in terms of an overcharge on unleaded gas, how can the minister justify such a delay when it is costing the consumers of this province so much money? How can he sit there when day after day consumers in this province are being ripped off and not do anything except to write a letter to André Ouellet? Surely we expect the minister to take action on his own on behalf of the consumers of this province.

Hon. Mr. Elgie: If that is indeed Mr. Ouellet's position then the member must be as astounded as I am that they would be wasting their time with a fuel pricing commission and with studies in depth into this area, which they intend to nothing with.

I am going to reserve whatever position this government will take until I receive a formal response from him saying that he is not interested and that they are carrying out all these studies for no reason and they do not intend to do anything about it once they have the information they are seeking and that they have.

Mr. Nixon: Mr. Speaker, since the price of premium unleaded is now around 50 cents a litre and the minister's colleague the member for Scarborough Centre (Mr. Drea) clearly indicated, I would say two years ago or more, that he and the ministry were aware of the unfair increase—he may have even called it a ripoff; he is nodding, ripoff is the sort of word he would

use—how could the minister now say he is still waiting for the federal government to proceed?

Obviously it has been a matter of knowledge that this has been unfairly priced for many months and years. It has been discussed in the Legislature. Why would the minister not now forget about his complaints of the inadequacies of the Ottawa administration and proceed on his own to save our own consumers the money that is being taken from them?

Hon. Mr. Elgie: Mr. Speaker, I think if the member were to ask the former Minister of Consumer and Commercial Relations once removed, he would tell him that probably the study that was initiated by Ottawa was initiated because he asked them to do it, because he felt it was a national issue.

That is why it astounds me they would now say that what the province is going to do about it is an interesting piece of information, when they know the pricing of gasoline is a national issue.

Mr. Rae: It is the consumers of Ontario who are paying the price for this evasion and inactivity on the part of this minister. It simply will not do for the minister to say he has written a letter to Ottawa.

Mr. Speaker: Question, please.

Mr. Rae: Does the minister not think he has a greater obligation to the consumers of this province than simply to write letters to Ottawa?

Hon. Mr. Elgie: That is a pretty penetrating question. By the way, who wrote that for the member? I am going to tell him, he needs a new writer. This minister understands his duties and he will continue to accept them.

HUGH SEGAL

Mr. Conway: Mr. Speaker, my question is to the first minister. It arises out of reports in the morning press that a former associate secretary of cabinet and former secretary to the policy and priorities board of the Ontario cabinet, namely Mr. Hugh D. Segal, Esq., has accepted a new position as executive vice-president of Camp Associates and president of something called the Advance Planning Group of Companies.

Having regard to the very central part and role which Mr. Hugh D. Segal, Esq., played in the affairs of the Ontario government over the past three years, and having regard to modern standards of arm's-length relationships between governments and groups such as Camp Associates, can the Premier give this House an under-

taking that no government of Ontario contract will be offered to either Camp Associates or the Advance Planning Group of Companies for at least a period of two years so there can be a cooling-off period in this matter?

2:40 p.m.

Hon. Mr. Davis: Mr. Speaker, I know it is the intention of this very able and distinguished young man, who determined to leave the public service to pursue activities in the private sector—in fact, he made a point of stating it to me—that he expects on his own behalf no government activity.

I think it is also fair to state to the honourable member that surely he would not want to preclude activities already under way with whatever organization because an individual happened to have been associated with government. I always sensed that the member for Renfrew North had a certain sense of fair play and decency about him and that he would not want to stand in the way of somebody earning an honest living.

Mr. Conway: In view of the fact that to the public there may very well be some legitimate question about the honesty of the living that Mr. Hugh D. Segal, Esq., is about to earn with this company, which offers itself as a company to provide analysis of public sector activity, can the Premier indicate what guidelines, if any, exist to deal with the kind of serious and potential conflict of interest that might take place? And can he indicate, if such rules do not exist, whether he will be prepared to write those rules so that this powerful if somewhat peripatetic partisan, Mr. Hugh D. Segal, will not make an awful lot of money for himself and Camp Associates peddling influence and insider information?

Hon. Mr. Davis: I really regret both some of the content and the tenor of the question. I really regret that perhaps the honourable member is ascribing to Mr. Segal what he himself might see as his natural instincts. I hope that is not true either.

I can only say to the member that I have known Mr. Segal for many years and he is a man of complete integrity. He obviously has been and will remain a partisan, which I know upsets the member. At the same time I can assure the member that my experience with Mr. Segal leaves me totally confident in his capacity to do the right thing with respect to his former responsibilities. If the member does not happen

to judge people that way, if he wishes to be cynical, if he wishes to demean other people, then all I can say is, it is on his own conscience.

DISMISSAL OF CIVIL SERVANT

Mr. Stokes: Mr. Speaker, I have a question of the Minister of Natural Resources. Does the minister intend to accept the decision of the Crown Employees Grievance Settlement Board in the case of Donald MacAlpine and reinstate him as of April 1, 1982?

Hon. Mr. Pope: Mr. Speaker, I have read the transcript of the decision but I have not decided at this time what further processes, if any, will be taken.

Mr. Stokes: Did the minister read the conclusion reached by the grievance settlement board, namely, "that the regional staff demands at the time were not consistent with the provisions of the Crown Timber Act and the management manual, that those demands were unreasonable and unfair to district staff," and finally, "that Mr. MacAlpine was justified in believing it would be wrong to facilitate the use of misleading data and an order in council licence which would be utilized to obtain a bank loan, and that there may be differences of opinion about the method he used to frustrate that design, but in the view of the board his concerns were legitimate, his loyalty to the ministry and its policies remain firm, and he is not a public servant who can be regarded as untrustworthy or undesirable by reason of what he did"? Would the minister agree with that?

Hon. Mr. Pope: As I indicated in reply to the first question, I read the entire decision and I have read numerous transcripts with respect to this matter. I am aware that the board found that Mr. MacAlpine's statements, as the member has read them into the record just now, were uncontradicted because the lawyer representing the ministry did not choose to call some of the regional staff. I am aware that he made that ruling.

I am also aware of the facts of the situation, as I understand them, that before I had a chance to make a decision, before the matter was referred to the head office, because I have the ultimate authority to sign timber licences and permits in this province, the matter was in the newspapers in Thunder Bay. I am also aware of the fact that this gentleman went into our files and Xeroxed copies out of the file—

Mr. Stokes: Not before I brought it to your attention.

Hon. Mr. Pope: I am aware that is an issue as well. As I said, I read all of the issues. I understand all of the issues. I am trying to consider right now what course of action to follow.

NORDAIR STRIKE

Mr. Hennessy: Mr. Speaker, I should like to ask a question of the Minister of Labour regarding the Nordair strike. As recently as November 19, I asked the minister a question with regard to interceding with the federal Minister of Labour, the Honourable Charles Caccia, and he promised at that time to discuss the situation and try to get both parties back together again and to try to get rid of this strike which is paralyzing the city of Thunder Bay.

Hon. Mr. Ramsay: Mr. Speaker, after the honourable member raised the subject in the House on November 19, I called the Honourable Charles Caccia and conferred with him at quite some length about the problems and the inconveniences being caused, particularly in northern Ontario.

Mr. Caccia was sympathetic but was not able to provide too much encouragement, in that the workers had turned down an offer from the company and from that point on the negotiations had basically broken down. Mr. Caccia had appointed a federal mediator who was available to help at any time and was trying to bring the parties together but had been unsuccessful.

Mr. Caccia committed himself to keeping me up to date with the progress or lack of progress and reporting to me on a regular basis. I shall be happy to report to the honourable members as such occurs.

Mr. Foulds: Mr. Speaker, does the minister not think that Ontario has a particular interest in this matter, in that as a regional carrier to Sault Ste. Marie and Dryden in particular, the Nordair matter has prevented adequate service to those two communities? Is it not true that the last management offer made some time ago was a take-it-or-leave-it offer, with no room for manoeuvring and no offer of negotiation with the employees?

Hon. Mr. Ramsay: Mr. Speaker, I am not aware of the nature of the offer or the status of the way in which it was presented. I do agree that it is having a serious effect on the communities of Sault Ste. Marie, Thunder Bay, and particularly on the Dryden area because it does not have any alternative such as Air Canada.

In the case of Sault Ste. Marie—and I believe

this is also the case in Thunder Bay—Air Canada has just announced this past weekend that it will be putting on extra service during the term of the work stoppage in order to take up a good portion of the slack.

FARM ADJUSTMENT ASSISTANCE PROGRAM

Mr. McKessock: Mr. Speaker, I have a question for the Minister of Agriculture and Food.

In the presentation of the Ministry of Agriculture and Food on November 23, I notice on page 37 that in fact only \$13.5 million has been paid out under the Ontario farm adjustment assistance program in total. This represents 22 per cent of the \$60 million allotted one year ago.

If the minister did not intend to spend this money this year, a good businessman could have invested that \$60 million a year ago at 22 per cent and would still have the \$60 million left. Did the minister do that? Even if he did not, he still has \$47 million left. Even taking into consideration what he will spend this year, he will have over \$40 million left at the end of 1983.

Mr. Speaker: Your question, please.
2:50 p.m.

Mr. McKessock: Why will the minister not take this money since the government seemingly committed it to farmers for this year and give the same emergency assistance to the beef industry as he gave last year, since the industry is still in a financial loss position?

Hon. Mr. Timbrell: Mr. Speaker, I do not know who did the arithmetic for the honourable member, and I am sure he would not intend to mislead anybody, but the program with its three options involves, in two cases, forms of guarantees, the first being a deferral for six months—

Mr. McKessock: Will you give them to the beef industry?

Hon. Mr. Timbrell: I listened to the member's question; perhaps he would like to listen to the answer. There is a deferral of interest for six months or a guarantee of new lines of credit. In both these cases, the government is potentially on the line for some significant amounts of money if any of those guarantees are called on the government.

The second of the three options, which is the most significant of the two in terms of the takeover, involves interest rate rebates on operating credit in excess of \$570 million. What the member says is true to the extent he says it, that we have spent \$13.5 million. We are on the hook for much more than that, however, because we

will be paying these interest rate rebates on that operating credit for a whole year in each of those cases.

I am sure the member did not mean to mislead the House or the farmers of the province, but we will be spending much more than that. Now that the program has been extended into 1983-84, we will be paying out money under the farm adjustment assistance program into the fiscal year 1984-85, because any case approved up to the close of the program on December 31, 1983, will be eligible for payments by the province, depending upon which option they are approved under, up to December 31, 1984. I know the member too well to think he would purposely mislead the House, but he should have that information.

In regard to payments to the beef industry, as the member knows, we made payments in 1981, for 1981, based on the 1980 prices which were the most current and reliable data available at that time. We have indicated all along that this was one of the reasons the farm adjustment assistance program was devised. If the member would go back to the task force report of a year ago, he will see it specifically says we should get away from these across-the-board programs and get into a program that will be geared to helping the farmer, depending on his individual circumstances. We have said all along that we do not intend to reinstitute the kind of program that was available in 1981 and once or twice before.

On top of that, we offered a cow-calf stabilization program under existing provincial legislation which would have paid out. Admittedly it would not have paid out as much as some previous ad hoc programs, but it would have paid out. That was turned down.

Mr. McKessock: I do not understand why the minister questions my figures now. We told him a year ago the ministry would not spend 25 per cent of that \$60 million, and it did not.

Hon. Mr. Timbrell: Mr. Speaker, on a point of privilege: If the member will look again at what I have just told him, I have told him his figures are wrong. For him to suggest that we will spend only 25 per cent of the \$60 million is wrong, and if he continues to repeat that he is misleading the House.

Interjections.

Mr. Speaker: Order. As I heard it, the minister did not accuse the member of misleading the House. He said if the member persisted in using those numbers then he would be misleading the House.

Mr. McKessock: Mr. Speaker, on a point of privilege: I said that a year ago we said the ministry would not use 25 per cent of the \$60 million, and in fact it has not done so to date.

Mr. Speaker: I think this is getting into a personal debate. Please ask your supplementary.

Mr. McKessock: The Ontario Cattlemen's Association has asked him for assistance for the cow-calf operator and the feedlot operator. To quote from the November issue of the OCA Breeder and Feeder, it says: "Since the other provinces have support programs, particularly Quebec, Saskatchewan, British Columbia and now Manitoba, the Ontario producer has been forced to compete against other provincial treasuries."

Why does the minister keep saying that Ontario is waiting on the federal government while other provinces are coming in with provincial programs of their own for the beef farmer? Are they setting the government up somehow to stay out of assistance for the Ontario farmers to give their provinces an advantage?

Hon. Mr. Timbrell: I do not know who wrote that for the honourable member but it is obviously somebody who enjoys fiction.

It is true that each of the provinces has a different type of ad hoc program. The other provinces do not have a program like the farm adjustment assistance program. Over 1,000 of the more than 3,000 farmers who have been approved for assistance to date are producers of beef and swine, so over one third of those approved to date are beef and swine producers. Let us have that on the record.

Throughout the year, in discussions with the cattlemen's association, I have repeatedly made it clear that we were not contemplating the emergency payments of earlier years but we had put the farm adjustment assistance program in place and it could help individual farmers, depending upon their individual circumstances.

The member will recall that early in the year we broadened the criteria so that more producers would be eligible and the beef producers, who I know are a matter of concern to the member in his county, have been among the most significant participants in the program. In fact, the member's county, if it is not the top county, is one of the top counties in terms of participation in the program.

RADON LEVELS IN BLIND RIVER HOUSES

Mr. Wildman: Mr. Speaker, I have a question

of the Minister of Labour. Can he confirm that 20 per cent of the homes tested in Blind River in April and May of this year by the radiation protection service were found to have levels of radon daughters above the acceptable limits for homes of underground uranium workers? If so, could the minister explain what remedial measures his officials will be recommending to protect the health and security of the residents of those homes when they will be meeting with municipal officials?

Will the provincial government be providing funds for retrofitting the homes to ventilate for radon daughters?

Hon. Mr. Ramsay: Mr. Speaker, it is my understanding that there were some levels that were found in excess of the prescribed limits and that remedial attention is being given to the matters at the present time by officials of my ministry. I cannot comment on the last part of the question as to whether there would be any financial assistance or support given.

Mr. Wildman: Will the minister table the findings and the advice given by his staff to the residents whose homes are above 0.02 working level? Does he intend to extend clause 2(14)(1) of the Ontario Building Code, which now applies only to Elliot Lake and Bancroft, to Blind River to ensure that residents who commute to work in uranium mines in Elliot Lake will not be exposed to additional exposures above 0.02 working level at home?

Hon. Mr. Ramsay: I will be in a better position to answer those questions once we have the final report from the inspectors, and once we have had an opportunity to discuss the remedial action. I anticipate that will be done in the not too distant future.

STATUS OF WOMEN

Mr. Spensieri: Mr. Speaker, I have a question of the Premier. Has he been informed of a request earlier this month by Global TV for two of his ministers, the Minister of Labour (Mr. Ramsay) and the Minister of Community and Social Services (Mr. Drea), to be interviewed in the course of a week-long program about women in crisis? Also, is he aware that both of these ministers obstinately refuse to participate in the program and, in fact, did not find substitutes?

If the Premier is aware of these events, does he not feel that this kind of conduct exemplifies the need for a minister of this government to be responsible for the status of women in this

province, as was suggested to him by a report by the Ontario Status of Women Council called Recommendations for New Government Structures for Women, which was presented to him earlier this year?

Hon. Mr. Davis: Mr. Speaker, I would never comment on whether that very important television network asked the appropriate minister, nor am I prepared to comment on the descriptive terms used in the question he read prepared by one of his researchers. I can only say to the honourable member—

3 p.m.

Mr. Wrye: The ministers all write their own briefing books, of course.

Mr. Peterson: Who prepares them for you?

Interjections.

Hon. Mr. Davis: I have mine here.

Mr. Speaker: Order.

Hon. Mr. Davis: No, I prepare them myself.

Interjections.

Hon. Mr. Davis: I thought the custom was not to read questions. That is the only point I was making. Is that not the custom?

Mr. Stokes: It is not your custom to answer them, either.

Hon. Mr. Davis: I would only say to the former Speaker of this House that I understand what he is saying, but I learned from him as he was giving judgements here in the House on occasion—no, I did not. I did not really mean that.

I think it is really quite unfair of the honourable member to suggest that ministers of the crown for some reason or another—I forget the words the member used—would not join a particular television program. I do not think there is any obligation on a minister of the crown or a member of this Legislature necessarily to accept every invitation to appear on some television program. I confess to the member I have turned down one or two myself over the years; not any more than I could help, but I have turned them down.

Mr. T. P. Reid: The Shulman File for example.

Hon. Mr. Davis: No, I have been on The Shulman File. Morty was quite intimidated.

Mr. T. P. Reid: He is looking for you now.

Mr. Breithaupt: There is an ad.

Interjections.

Hon. Mr. Davis: We are in demand now? That is wonderful.

Hon. Miss Stephenson: No, they are in demand.

Hon. Mr. Davis: Oh, they are in demand. I would think that if the member really wished to ask the question, he should ask the two ministers and get their responses. I am not in a position to tell ministers whether they should appear on television or not. Surely that is not my responsibility. Why does he not raise it with them either here or outside?

Mr. Spensieri: The Premier should be aware that not only did the ministers not attend, neither did the parliamentary assistants nor did his newest appointee, Sally Barnes, the chairperson of the Ontario Status of Women Council.

If this is part of a policy which the Premier condones, does he not now see the need for an appointment of a single minister to be responsible for the status of women in this province? This would eliminate this kind of nonparticipation and this kind of problem in the future.

Hon. Mr. Davis: I have always found the Provincial Secretary for Social Development (Mrs. Birch) to be an articulate and sensitive spokesman for the status of women. There is no question about it.

Mr. Martel: She cut off the use of taxis for women in her first week as minister.

Hon. Mr. Davis: If the member for Sudbury East (Mr. Martel) does not like the Provincial Secretary for Social Development, it only confirms the lack of judgement I sometimes sense on his part.

I would only reiterate to the member that I would suggest he have Global speak to them or ask them himself. I do not recall any rule in this House or any rule imposed by the Premier that says to a minister, "You must appear on a certain television program."

It is surely not my responsibility to issue that sort of order. I do not think his leader has ordered him to be on local cable as often as he is, but probably he seizes the opportunity because he thinks it is good politics. I know his former leader used to seize every opportunity at ten minutes to three to rush out to the television networks. At least this leader waits until five minutes after three before he rushes out.

SAFETY OF OFFICE EQUIPMENT

Mr. R. F. Johnston: Mr. Speaker, my question is for the Minister of Labour (Mr. Ramsay). In view of the urgency and the importance this whole Legislature gave to the unfortunate cluster of pregnancy malfunctions at the Attorney

General's office at old city hall in March of this year, how can he now juxtapose that urgency and the importance we all gave to it with these two facts?

One, Dr. Harkins, who was appointed by the Ministry of Health, has only as of November 26 come up with a proposed methodology which is still not finalized for his investigation of the problems;

Two, his ministry has refused an appeal by the workers who are very concerned about the low frequency radiation effects for the retesting of those machines. It has suggested it would not shield the flyback transformer of those machines at this time.

How can he reconcile those two things?

Hon. Mr. Ramsay: Mr. Speaker, it is my understanding that under the act an appeal can be made to the director of the branch and this was done by the union representatives. In the opinion of the director of the branch, the appeal was denied. There is no further opportunity under the act for an appeal to me. They did write and ask me to address the problems but, as I explained in a return letter, the decision of the director of the branch is final.

Mr. R. F. Johnston: I wonder if the minister would comment on how he fits that attitude with the fact that as of this afternoon, his video display terminal task force, which was established in June of last year, is finally making its initial report to the Advisory Council on Occupational Health and Occupational Safety?

This initial report is suggesting that all VDTs be tested at source for ionizing radiation; that they be labelled; that there be electrical shielding provided to all these machines because of our lack of knowledge of how low-frequency radiation affects people; and that there be a major epidemiological study of the effects on reproduction, especially with pregnant women. The committee has even recommended that either alternative work sites be found for women or that they be protected under the Workmen's Compensation Board.

Given the fact that the task force is making those recommendations, why is his ministry dragging its feet in protecting those women and in reassuring those workers at the Attorney General's office in old city hall?

Hon. Mr. Ramsay: Obviously the member has had the benefit of seeing that report and I have not. I did, however, meet early yesterday morning with Dr. Fraser Mustard, who advised me that they would be considering the report today.

He hopes to have it issued within a short period of time. That is the preliminary report I am speaking of, incidentally. The final report is expected in early 1983. We have been waiting with some anxiety for the report.

Mr. Martel: Why doesn't the minister protect the workers in the meantime?

Hon. Mr. Ramsay: I did express earlier to Dr. Mustard my concern about the length of time it was taking and he explained to me in great detail the circumstances and difficulties of trying to get input from every possible source and to come up with all of the necessary information. It is a very complex problem and there are many different opinions, scientific and otherwise, on the use of VDTs.

The honourable member mentioned the city hall. I believe that our ministry co-operated with recommendations coming from him, from the Ontario Public Service Employees Union and from their representative, Mr. DeMatteo, when we set up an occupational health and safety committee at the old city hall site earlier this year.

Mr. Wrye: Mr. Speaker, the minister himself has admitted there has been a long delay in the issuance of this preliminary report of the task force. Will he therefore give us a commitment today that rather than waiting for a final report, he will study this preliminary report and its recommendations as quickly as possible, and that he will act on those recommendations without waiting for a final report?

Hon. Mr. Ramsay: Mr. Speaker, I am not going to give assurance that I will do anything without looking at the report first. Obviously, I would have to do that. While I admitted there was a long delay, I must re-emphasize that I asked Dr. Mustard for the reasons for that long delay and I was completely satisfied with the detailed explanation he gave me. I am convinced that the delay will have made it only a more formidable and exacting report.

VIDEO GAME

Mr. McGuigan: Mr. Speaker, my question is to the Attorney General. The Ontario Native Women's Association is justifiably incensed about the possible importation into Ontario of a video cassette game called *Custer's Revenge*. Would the minister forward his government's objection to these federal ministers: the Attorney General of Canada, the Minister of State for Multiculturalism, the Minister of State for Trade and the Minister of National Revenue? I, with

others, urge the minister to block the importation of this obscene and silly game.

Hon. Mr. McMurtry: This is the first time I have heard of this game.

Interjections.

Hon. Mr. McMurtry: I do not read all the papers every day. I assume this is a serious question, but the member's colleagues do not appear to take it seriously. If the honourable member would like to give me some additional information, I would be happy to discuss it with him.

3:10 p.m.

Mr. McGuigan: I have not seen the game myself, but I have read about it. In this game, Custer is depicted as chasing and raping an Indian woman; this is the prize of the game. I realize that something depicted on a screen probably does not meet the test of being obscene because, of course, they are not human characters but are a representation. Nevertheless, because it does impinge on one very small segment of womanhood, would the minister look closely and see whether in this case an importer, whether it is imported legally or illegally, could be charged with obscenity under the Criminal Code?

Hon. Mr. McMurtry: I will certainly look into the matter, Mr. Speaker.

Ms. Bryden: Mr. Speaker, I think this particular instance indicates that there is a very large market for the sale of pornographic material which exploits women. I would like to ask the Attorney General, what is he doing to curtail that particular kind of exploitation of women?

Hon. Mr. McMurtry: Mr. Speaker, we are all concerned about this material. There is no question it has been the subject matter of many statements which I have made. The Attorney General's responsibility primarily is in relation to people who break the law. One may personally disapprove very strongly of the exploitive material about which the member speaks, but until the law is broken, the Ministry of the Attorney General really does not have jurisdiction.

MEMBERS' PRIVILEGES

Mr. T. P. Reid: Mr. Speaker, on a point of order: I am not sure whether this is a point of order or a point of privilege, I will have to leave that up to you, however, I would refer you to standing order 26(a), (b) and (c). As you well know, the privileges of the members first came about, as I understand it, to preserve or defend

themselves from the arbitrariness of the monarch. One of the privileges Erskine May deals with is that the function of members is related to their privileges and if they cannot function properly, then their privileges are being impinged.

What I am leading to is that in the last week we have had two major policy statements by the government; one was related to an abrupt change in policy—a reversal of the policy set by the Premier (Mr. Davis) himself in his earlier emanation as Minister of Education—that the Minister of Education (Miss Stephenson) stated outside of this chamber. Then last week, the Minister of Natural Resources (Mr. Pope) made a statement in Thunder Bay with regard to nonresident crown land camping, which is of great interest and importance, particularly to people in northern Ontario.

My point is that these two matters are of supreme interest to the members of this chamber and we have not had a statement in the chamber, nor have we had the background information relating to these changes. We cannot function properly or carry out our functions without having these statements made here. It is interesting that both these are policies which were put forward by the official Liberal opposition over many years. It is perhaps for that reason they were not announced in the House, but I ask you, sir, to give a directive that these statements at least be given at some point in the Legislature.

Mr. Speaker: I must point out to the member for Rainy River, as I am sure he well knows, it is neither a point of order nor a point of privilege. There is nothing out of order. Your privileges have not been infringed upon in any way, shape or form. I cannot direct the ministers to make statements wherever.

Having said that, the Minister of Industry and Trade.

VISITORS

Hon. Mr. Walker: Mr. Speaker, we are honoured today by a visit in the Speaker's gallery of the Minister of Industry and Commerce from Jamaica, the Honourable Douglas Vaz, who is here and is meeting with us at various times today. With Mr. Vaz is the High Commissioner, His Excellency, Mr. Leslie Wilson and Mr. Danny Powell, the trade commissioner from Toronto. Mr. Trevor Boothe and Miss Marie Ramsey complete the group. I am sure we look forward to meeting the Jamaican delegation.

BIRTHDAY OF MEMBER FOR RIVERDALE

Mr. Conway: Mr. Speaker, before I introduce a petition, I understand that the word is out in the precincts that the member for Riverdale (Mr. Renwick) has reached the golden age when he begins to receive those cheques from various governments and, if it is true—

[Applause]

Mr. Speaker: Maybe we should all join in the chorus.

Mr. Conway: If it is true, I know all honourable members would want to wish the member for Riverdale well in accepting those emoluments that are consequent upon the receiver reaching that age.

PETITIONS

MUNICIPALITY OF METROPOLITAN TORONTO AMENDMENT ACT

Mr. Conway: Mr. Speaker, I rise to table a petition from 126 of the good people in the great constituency of Renfrew North who request the Minister of Education (Miss Stephenson) and the government of which she is so large a part to withdraw Bill 127, An Act to amend the Municipality of Metropolitan Toronto Act.

Mr. Haggerty: Mr. Speaker, I have a petition here with 201 names from Welland and Niagara South: "To the Honourable the Lieutenant Governor and Legislative Assembly of Ontario: We, the undersigned, beg leave to petition the Parliament of Ontario as follows: We request that the honourable members seek the withdrawal of Bill 127, An Act to amend the Municipality of Metropolitan Toronto Act." I concur with that petition.

Mr. McKessock: Mr. Speaker, I have a similar petition from residents in Grey county pertaining to Bill 127.

Mr. Breithaupt: Mr. Speaker, I have a petition similar to those which have been introduced, signed in this case by 256 teachers within the community of Kitchener and Waterloo.

[Later]

Mr. Sargent: Mr. Speaker, I have two petitions here, one from the people of Grey-Bruce regarding Bill 127 which I will table here. I also have a time factor here. It is regarding—

An hon. member: He is telling the time of day. Interjections.

Mr. Sargent: I am giving you the time,

fellows. I think you should all have one of these things.

Mr. Bradley: Mr. Speaker, I do not have a talking watch but I do have some petitions to present to the Legislature from various places in Ontario. They are addressed as follows: "To the Honourable the Lieutenant Governor and the Legislative Assembly of Ontario: We, the undersigned, beg leave to petition the Parliament of Ontario as follows: We request that honourable members seek the withdrawal of Bill 127, An Act to amend the Municipality of Metropolitan Toronto Act."

I submit this petition for consideration. I hope the minister will give a good deal of thought to the many petitions that are flowing in from across Ontario, and will see fit to withdraw her bill.

3:20 p.m.

Mr. Ruston: Mr. Speaker, I have a petition to the Honourable the Lieutenant Governor and the Legislative Assembly of Ontario: "We, the undersigned, beg leave to petition the Parliament of Ontario as follows: We request that honourable members seek the withdrawal of Bill 127, An Act to amend the Municipality of Metropolitan Toronto Act." There are 107 names here.

Mr. Wrye: Mr. Speaker, it appears to be the day for petitions.

I have another petition addressed to the Honourable the Lieutenant Governor and the Legislative Assembly of Ontario. It is signed by 52 residents from the riding of Windsor-Sandwich and it also requests the withdrawal of Bill 127.

Mr. Van Horne: Mr. Speaker, this is the second day in a row on which I have had the privilege of presenting a petition to this House requesting that honourable members seek the withdrawal of Bill 127, An Act to amend the Municipality of Metropolitan Toronto Act. As I indicated yesterday, I wholeheartedly endorse this petition.

Mr. Martel: Mr. Speaker, there are 183 teachers who send their blessings and good wishes to the minister. It is going to take years to rebuild what she is destroying. I am pleased to present this petition to the Honourable the Lieutenant Governor requesting that Bill 127 be withdrawn. There will not be anything left pretty soon.

Mr. Foulds: Mr. Speaker, on behalf of 92 residents of the riding of Port Arthur, I would like to present the following petition: "To the

Honourable the Lieutenant Governor and the Legislative Assembly of Ontario: "We, the undersigned, beg leave to petition the Parliament of Ontario as follows: We request that honourable members seek the withdrawal of Bill 127, An Act to amend the Municipality of Metropolitan Toronto Act."

Mr. R. F. Johnston: Mr. Speaker, on behalf of 70 teachers and citizens of Scarborough, mostly from Scarborough West, I beg leave to enter this petition to the Honourable the Lieutenant Governor and the Legislative Assembly of Ontario: "We, the undersigned, beg leave to petition the Parliament of Ontario as follows: We request that honourable members seek the withdrawal of Bill 127, An Act to amend the Municipality of Metropolitan Toronto Act."

I wholeheartedly support this. I would have loved an addition which would have asked for the immediate retirement of our present minister.

Mr. Mackenzie: Mr. Speaker, on behalf of 36 teachers in Hamilton East, I want to submit this petition which also asks for the withdrawal of Bill 127. I would indicate my support as well for the petition of these teachers and citizens in my riding.

Mr. Laughren: Mr. Speaker, on behalf of 96 teachers in the riding of Nickel Belt, but also some from the city of Sudbury I hasten to add, I present this petition to the honourable members to seek the withdrawal of Bill 127—by that, of course, they mean the Minister of Education—the bill which would amend the Municipality of Metropolitan Toronto Act. Like the rest of my colleagues, I heartily support this petition.

Mr. Cassidy: M. le Président, de la part de 49 résidents du comté d'Ottawa centre j'aimerais déposer cette pétition à l'honorable Lieutenant-gouverneur et à l'Assemblée législative de la province de l'Ontario: "Nous, les soussignés, sollicitons l'autorisation d'adresser la pétition suivante au Parlement de la province de l'Ontario: Nous demandons aux honorables membres de chercher à retirer le Projet de loi 127, loi modifiant la Loi sur la municipalité de l'agglomération torontoise." M. le Président, la pétition à ce bill est passée à travers la province et j'appuie la pétition à ce bill.

Mr. Speaker: The member for Riverdale, and a happy birthday.

Mr. Renwick: Thank you. The celebration seems to be endless.

Mr. Speaker, I beg leave to present a petition signed by 66 members of the

riding of Riverdale, grading the Minister of Education on her performance and addressed to His Honour the Lieutenant Governor.

Mr. Speaker, I beg leave to present a petition with 85 signatures to the Honourable the Lieutenant Governor and the Legislative Assembly of Ontario: "We, the undersigned, beg leave to petition the Parliament of Ontario as follows: We request that the honourable members seek the withdrawal of Bill 127, An Act to amend the Municipality of Metropolitan Toronto Act."

Mr. Grande: Mr. Speaker, it gives me pleasure to present a petition signed by 38 concerned citizens from the riding of Oakwood addressed to the Honourable the Lieutenant Governor and the Legislative Assembly of Ontario: "We, the undersigned, beg leave to petition the Parliament of Ontario as follows: We request that the honourable members seek the withdrawal of Bill 127, an Act to amend the Municipality of Metropolitan Toronto Act." It goes without saying that these petitioners have my full support.

Mr. Speaker, in the absence of my colleague the member for Cornwall (Mr. Samis) I would like to present on his behalf a petition from his riding. The petition is addressed to the Honourable the Lieutenant Governor: "À l'honorable Lieutenant-gouverneur et à l'Assemblée législative de la province de l'Ontario: Nous, les soussignés, sollicitons l'autorisation d'adresser la pétition suivante au Parlement de la province de l'Ontario: Nous demandons aux honorables membres de chercher à retirer le Projet de loi 127, loi modifiant la Loi sur la municipalité de l'agglomération torontoise."

Mr. Speaker, in the absence of my colleague the member for Downsview (Mr. Di Santo), I would like to present this petition from the riding of Downsview addressed to the Honourable the Lieutenant Governor and the Legislative Assembly of Ontario requesting that the honourable members seek the withdrawal of Bill 127.

Mr. Speaker, on behalf of 1,539 concerned citizens in Metropolitan Toronto from the combined ridings of Metropolitan Toronto—these are the people who signed the petition who do not fall neatly into the various ridings—I would like to present a petition addressed to the Honourable the Lieutenant Governor and the Legislative Assembly of Ontario in support of encouraging the Minister of Education to withdraw Bill 127.

Ms. Bryden: Mr. Speaker, I have very great

pleasure in presenting a petition addressed to the Honourable the Lieutenant Governor and the Legislative Assembly of Ontario from 127 residents of Beaches-Woodbine. These petitioners ask for the withdrawal of Bill 127, An Act to amend the Municipality of Metropolitan Toronto Act.

I fully support this petition and strongly hope the government will consider it and act on it. I hope the Minister of Education in particular is listening.

Mr. Swart: Mr. Speaker, the teachers of Welland-Thorold as well as other residents are particularly incensed with the high-handed action of the Minister of Education in introducing and carrying through with Bill 127, and 340 of them in my riding have signed a petition addressed to the Lieutenant Governor and the Legislative Assembly of Ontario asking that we seek the withdrawal of Bill 127.

Mr. Breaugh: Mr. Speaker, I beg leave to present a petition signed by 205 constituents in the riding of Oshawa to the Honourable the Lieutenant Governor and the Legislative Assembly of Ontario: "We, the undersigned, beg leave to petition the Parliament of Ontario as follows: We request that the honourable members seek the withdrawal of Bill 127, An Act to amend the Municipality of Metropolitan Toronto Act."

3:30 p.m.

Mr. Cooke: Mr. Speaker, I beg leave to present a petition that reads as follows: "To the Honourable the Lieutenant Governor and the Legislative Assembly of Ontario: We, the undersigned, beg leave to petition the Parliament of Ontario as follows: We request the honourable members to seek the withdrawal of Bill 127, An Act to amend the Municipality of Metropolitan Toronto Act." I support the petition and would go further to suggest that perhaps the minister should also resign.

Mr. McClellan: Mr. Speaker, I beg leave to introduce the following petition signed by 48 good citizens of the riding of Bellwoods: "To the Honourable the Lieutenant Governor and the Legislative Assembly of Ontario: We, the undersigned, beg leave to petition the Parliament of Ontario as follows: We request that honourable members seek the withdrawal of Bill 127, An Act to amend the Municipality of Metropolitan Toronto Act."

Mr. Stokes: Mr. Speaker, I have a similar petition signed by several hundred teachers from Thunder Bay, South Gillies, Dorion, Red

Rock, Nipigon, Beardmore, Geraldton, Nakina, Savant Lake, Pickle Lake, Schreiber, Terrace Bay, Marathon and Kashabowie, also praying for the withdrawal of Bill 127.

Mr. Wildman: Mr. Speaker, I beg leave to present a petition on behalf of 200 residents of Algoma district, Sault Ste. Marie and Algoma-Manitoulin. It is as follows: "To the Honourable the Lieutenant Governor and the Legislative Assembly of Ontario: We, the undersigned, beg leave to petition the Parliament of Ontario as follows: We request the honourable members to seek the withdrawal of Bill 127, An Act to amend the Municipality of Metropolitan Toronto Act."

The reason these out-of-Toronto people are so concerned is that they see this as the first step to regional bargaining across Ontario. I support their view completely and am most happy to be able to present this petition on behalf of not only myself but also my colleagues from Sault Ste. Marie and Algoma-Manitoulin. I would have been just as happy also to have presented a petition on behalf of the member for High Park-Swansea (Mr. Shymko).

Mr. Charlton: Mr. Speaker, on behalf of 170 residents of Hamilton Mountain, Ancaster, Dundas and Glanbrook, I beg leave to present a petition to the Honourable the Lieutenant Governor and the Legislative Assembly of Ontario. "We, the undersigned, beg leave to petition the Parliament of Ontario as follows: We request that the honourable members seek to withdraw Bill 127, An Act to amend the Municipality of Metropolitan Toronto Act." I heartily support the request in the petition.

Mr. Lupusella: Mr. Speaker, I am pleased to introduce a petition on behalf of 99 concerned parents stating as follows: "We, the parents and guardians of students at Kent Senior Public School, demand that the provincial government make available the \$12.8 million to meet Toronto school staffing needs and that the amendment to the Municipality of Metropolitan Toronto Act be immediately withdrawn as outlined in Bill 127."

From the riding of Dovercourt, I am pleased to introduce a petition on behalf of 16 concerned parents which states: "We request that the honourable members seek the withdrawal of Bill 127, An Act to amend the Municipality of Metropolitan Toronto Act."

On behalf of 32 concerned citizens living in the riding of Dovercourt, I am pleased to introduce a petition which states: "We, the

undersigned, demand that the provincial government make available the \$12.8 million to meet Toronto school staff needs and that the amendment to the Municipality of Metropolitan Toronto Act be immediately withdrawn."

I am pleased to introduce a petition on behalf of 108 concerned citizens living in the riding of Dovercourt which states: "We, the undersigned, demand that the Honourable William Davis and the Honourable Bette Stephenson of the Ontario cabinet protect the principle of local autonomy by refusing to support concerned citizens living in the riding of Dovercourt which states: "We, the undersigned, demand that the Honourable William Davis and the Honourable Bette Stephenson of the Ontario cabinet protect the principle of local autonomy by refusing to support Bill 127 that provides boards with insufficient funds to meet local needs."

Mr. Philip: Mr. Speaker, on behalf of 278 parents and teachers in the ridings of Lakeshore, York West, Humber, Mississauga North and Etobicoke, I beg leave to present the following petition: "We request that honourable members seek the withdrawal of Bill 127, An Act to amend the Municipality of Metropolitan Toronto Act." I concur with that recommendation.

Mr. Allen: Mr. Speaker, I beg leave to present a petition on behalf of 74 residents of Hamilton West, who likewise are requesting the withdrawal of Bill 127, An Act to amend the Municipality of Metropolitan Toronto Act. Of course, I concur with their petition.

Mr. Rae: Mr. Speaker, on behalf of 102 residents of the good riding of York South, it is my pleasure to present my first petition to this Legislature: "To the Honourable Lieutenant Governor of the Legislative Assembly of Ontario: We, the undersigned, beg leave to petition the Parliament of Ontario as follows: We request that honourable members seek the withdrawal of Bill 127, An Act to amend the Municipality of Metropolitan Toronto Act." I want to indicate to you, Mr. Speaker, that these individuals have my full support and that of all my colleagues who are here today and those who are not here.

SALE OF RENTAL UNITS

Mr. Spensieri: Mr. Speaker, tomorrow evening, some 2,000 residents of the former Cadillac Fairview building in Yorkview will have the dubious pleasure of meeting with Mr. Robert Strom, the head of Maysfield Property Management.

I have the pleasure to present on their behalf

a petition signed by several hundred residents of the former Cadillac Fairview building which states:

"We, the undersigned, being the present tenants in a building subject to sale by Cadillac Fairview Corp. Ltd., hereby petition to have the whole matter of the sale by Cadillac Fairview investigated by a committee of the Legislative Assembly of Ontario so that the rights of the tenants are preserved and protected." I wholeheartedly endorse such a petition.

ABORTION CLINICS

Mr. Sargent: Mr. Speaker, I have a lot of letters here regarding the plan to prosecute Henry Morgentaler who is opening an illegal clinic. I don't support some of these petitions but I am presenting them anyway.

START CENTRE

Mr. McNeil: Mr. Speaker, I have a petition containing over 1,200 signatures opposing the proposed closing of the start centre at St. Thomas.

CLOSURE OF AUDIO LIBRARY

Mr. Allen: Mr. Speaker, in addition to the foregoing, I would like to add another series of names of people who wish to petition in particular the Minister of Colleges and Universities (Miss Stephenson). There are 583 names of people who, as taxpayers in Ontario, would like to protest the fact that the audio library program located in Trent University, Peterborough, is forced to close because it has never been able to obtain ongoing university funding.

Mr. McClellan: Mr. Speaker, I do not believe you should leave petitions before the member for Eglinton (Mr. McMurtry) and the member for High Park-Swansea (Mr. Shymko) respectively have introduced their petitions on behalf of their constituents in opposition to Bill 127.

REPORTS

STANDING COMMITTEE ON SOCIAL DEVELOPMENT

Mr. Shymko from the standing committee on social development presented its report and moved its adoption:

Your committee begs to report the following bill with certain amendments:

Bill 138, An Act respecting the Protection of the Health of the Public.

Motion agreed to.

Mr. Speaker: Shall the bill be ordered for third reading?

Ordered for committee of the whole House.

Mr. Shymko from the standing committee on social development reported the following resolution:

That supply in the following amounts and to defray the expenses of the Ministry of Colleges and Universities be granted to Her Majesty for the fiscal year ending March 31, 1983:

University support program, \$1,141,261,000; college support program, \$443,100,000; skills development program, \$153,243,000; student affairs program, \$122,424,000.

3:40 p.m.

INTRODUCTION OF BILL

PROVINCIAL COURT (CIVIL DIVISION) PROJECT AMENDMENT ACT

Hon. Mr. McMurtry moved, seconded by Hon. F. S. Miller, first reading of Bill 196, An Act to amend the Provincial Court (Civil Division) Project Act.

Motion agreed to.

Hon. Mr. McMurtry: Mr. Speaker, the provincial court, civil division, is due to expire on January 1, 1983, and the purpose of this bill is to provide for that court to be made permanent in Metropolitan Toronto.

Metropolitan Toronto's provincial court, civil division, has assumed the civil jurisdiction previously exercised by the small claims court and has, in addition, jurisdiction over civil claims up to \$3,000. The rules of the court are specifically designed so that the provincial court, civil division, will provide the necessary procedural structure without sacrificing the informality of small claims court procedures.

The court has been very favourably received by the public and by the legal profession in the Toronto area, and I am confident that its continuation on a permanent basis will be wholeheartedly welcomed.

I am also pleased to table today a document entitled Evaluation Report of the Provincial Court, Civil Division, which contains a wealth of factual information about the provincial court project in Toronto.

ORDERS OF THE DAY

House in committee of the whole.

INFLATION RESTRAINT ACT

Consideration of Bill 179, An Act respecting

the Restraint of Compensation in the Public Sector of Ontario and the Monitoring of Inflationary Conditions in the Economy of the Province.

On section 1:

Mr. Chairman: We are dealing with clause 1(a). I ask the indulgence of members of the House. Is it the pleasure of the House that we deal with each subsection or with each whole section at a time?

Some hon. members: Subsections.

Mr. Chairman: Well then, the member for York South.

Mr. Rae: Mr. Chairman, this is the first opportunity I have had to participate in this debate apart from the debate that took place in a very restricted and constricted form in the committee.

Hon. Miss Stephenson: Restricted?

Mr. Rae: That is what I said.

I want to take this opportunity, while always referring to clause 1(a), which is the section that defines the meaning of the Inflation Restraint Board—

Mr. Wrye: Is this your second reading speech?

Mr. Rae: I can understand the real unease with which members of the Liberal Party greet any speech. I can hear the member for Windsor-Sandwich—

Mr. Nixon: So far it is really good.

Mr. Rae: The champion hecklers are obviously here in an effort to put forward all the views of the Liberal Party with respect to this measure, because I understand there is certainly more than one view being expressed at different times in that caucus as to what this legislation is all about.

Mr. Kerrio: We are not regimented to a five-year plan like your gang. We know all about your game.

Mr. Rae: I am not sure what game the member for Niagara Falls is referring to, but he is an expert on games as well as on many—

Mr. Chairman: Order. Speaking to clause 1(a), the member for York South.

Mr. Rae: I am attempting to do that, and I am having—

Mr. Chairman: I know that, and I am trying—

Mr. Kerrio: Stick to the bill and you won't have any trouble at all.

Mr. Rae: I am having some difficulty in cutting through the barrage of interruptions

which continue to come from the party to my far right. I do want to indicate—

Mr. Kerrio: Do your own thing and you won't be bothered.

Mr. Chairman: Member for Niagara Falls, you are not making life easy for us on the opening of this bill.

Mr. Kerrio: Tell him stick to the bill, then.

Mr. Chairman: He has not had a chance to start yet.

Interjections.

Mr. Chairman: Order. Subsection 1(a) says, "Board" means the Inflation Restraint Board."

Mr. Rae: It is a filibuster being conducted by the member from a seated position, which is a novel approach but which is nevertheless one that—

Mr. Kerrio: That end of me makes more sense than you are making.

Mr. Rae: Carry on. I have all day. I am sure the honourable member knows that. In fact, we have got several days to discuss this. As long as the member wants to keep on interrupting, I am sure we will all be quite happy to stick around and listen to what he has to say.

Be that as it may, Mr. Chairman, I want to indicate to you that we will be moving an amendment to clause 1(a). I think I will put it before you and then simply speak to the amendment as we have put it forward.

Mr. Chairman: Mr. Rae moves that clause 1(a) of the bill be struck out and the following substituted therefor: "(a) 'Commission' means the Fair Prices Commission."

Mr. Rae: Mr. Chairman, I want to make clear the reason that this substitution and this change are of such importance. The entire thrust and approach of the government with respect to the powers of the board and the nature of the problem has been as follows.

The government has identified public sector wages as the particular villain in the piece to be subjected not simply to a form of control but to a form of expropriation. The government has given the board, which has the power and indeed the obligation under this legislation to supervise the breaking of contracts and collective agreements in the public sector, the misnomer of an Inflation Restraint Board. In fact, this legislation has nothing whatever to do with the control of inflation. It has nothing whatever to do with the protection of consumers from the effects of ever-increasing and ever-rising prices.

This legislation is at once ruthless and very

straightforward in its simplicity. Its intention is quite simply to break contracts in the public sector, to take away from employees in the public sector something they have bargained for, something their collective agreements have provided for, something the government of this province in all solemnity agreed to, in some cases just a few short months ago.

Therefore, the purpose of this amendment is to cut through the hypocrisy that has overwhelmed the government and simply say, rather, that if the government's concern is with inflation, then it has to give itself the powers and the commission to deal directly with inflation. It has not done that in this legislation. Rather than deal with inflation, as I said, this legislation deals directly and simply with wages in the public sector. So clause 1(a) has to be amended, because unless clause 1(a) is amended, unless the Inflation Restraint Board is replaced by a fair prices commission, we will be sanctioning the hypocrisy that runs right through this legislation.

The government wants to give the Inflation Restraint Board, which is established and defined under part I, powers and a jurisdiction that are the equivalent, I would suggest, of the powers of the wartime emergency commissions that were established in both the First World War and the Second World War by the federal government.

3:50 p.m.

If clause 1(a) is not amended, as we have suggested, this board is under no obligation to hold any hearings with respect to any of the matters before it. This board is under no obligation to give any reasons for any of its decisions. This board is under no obligation to follow the basic standards and requirements of natural justice which have become one of the foundations of administrative and public law in Ontario.

If we are to understand and fully appreciate the very real seriousness of what this government is doing, we have to go back a way in the history of Ontario and try to come to grips with the growth and development of public and administrative law of this province to understand the enormity of the error that the government is making in bringing in this legislation.

Mr. Chairman, you no doubt will recall the events that led up to the formation of the royal commission inquiry into civil rights in Ontario. You no doubt will recall the very real and genuine public concern that was expressed both in this Legislature and outside it by reason of the introduction of the so-called police bill, which

gave extraordinary powers to the state and which ultimately had to be withdrawn by the government and indeed led to the resignation of the then Attorney General.

Subsequent to that, the government took a very wise decision and decided it should appoint one of the most distinguished judges in the history of this province, one of the most distinguished representatives of the legal profession in this province and indeed one of the great minds and characters in the history of this province. I am speaking, of course, of Mr. Justice McRuer, who is still very much alive and very much involved and concerned with the protection of civil liberties in the process of administrative law in this province.

Mr. Justice McRuer's report, which has become something of a handbook for practitioners and certainly something of a handbook for those people who are concerned with civil liberties in the province of Ontario, is entitled quite simply *Inquiry into Civil Rights*. It is known in short as the McRuer report.

The McRuer report is the basis of a number of pieces of legislation in this province. I am referring to the whole process of judicial review, the whole question of statutory powers, the questions involved very much with the basic problem of how we can control the power of government and how, with the expansion and extension of the government into all fields of life, the individual citizen can be assured that his contract and his rights and his civil liberties can be protected both in terms of substance and in terms of procedure.

The protections that came from the McRuer report are quite fundamental to the whole body of administrative law that has grown up in this province, not only in terms of statute but also in terms of procedure, common law and case law.

I want to quote from page 206 of the McRuer report, where Mr. Justice McRuer quotes from the textbook of Professor Davis's famous administrative law treatise. In that treatise on administrative law, Professor Davis quotes from three distinguished judges of the Supreme Court of the United States. It is a quotation which I think deserves to be in the record of this Legislature at this time.

Professor Davis states: "The essence of justice is largely procedural. Time and again thoughtful judges have emphasized this truth. Mr. Justice Douglas: 'It is not without significance that most of the provisions of the Bill of Rights are procedural. It is procedure that spells much of the difference between rule by law and

rule by whim or caprice. Steadfast adherence to strict procedural safeguards is our main assurance that there will be equal justice under the law.' Mr. Justice Jackson: 'Procedural fairness and regularity are of the indispensable essence of liberty.' Mr. Justice Frankfurter: 'The history of liberty has largely been the history of procedural safeguards.'"

I might just read a little further. Mr. Justice McRuer goes on to say: "It must be recognized, however, that not all governmental decisions that may affect the lives of individuals can be controlled by defined procedure. In certain cases it is essential to the purpose of the statute that prompt action be taken without any antecedent procedural requirements, e.g., the seizure and destruction of food unfit for human consumption, orders to take safety measures such as the directions of an inspector under the Factory, Shop and Office Building Act, or the exercise of emergency powers, e.g., under the Energy Act."

The reason I read that last quotation was that it seemed to me Mr. Justice McRuer was saying there may be cases and examples where the government has to act in a way that is peremptory and does not always grant a hearing and listen to views from both sides before taking action; it simply steps in and takes those measures that are necessary for the protection of human life.

The point Mr. Justice McRuer is making is that those cases must be really restricted. They must be restricted to emergency situations where we are talking about the difference between life and death, where we are talking about the difference between human health and human illness, where we are talking about genuine, real, perceptible and tangible threats to public safety. Otherwise, in other instances and wherever this is not the case, there has to be every procedural safeguard for the exercise of statutory powers in Ontario.

The Inflation Restraint Board is a misnomer. It should be called the wages expropriation board, because that is all it is. It has nothing to do with inflation and has everything to do with the expropriation of wages in the public sector.

Since it has everything to do with expropriation of wages in the public sector, what this legislation is doing, with respect to the establishment of this board and the powers that are being granted to this board, is taking administrative and labour law in the public sector back to the Stone Age. There is no other way of describing it. Basic rights and assumptions of

due process, rights to a hearing, rights to a rational and arbitrated decision, all of which have become an essential part of the fabric of public law in Ontario, have all been wiped out by a single stroke of the pen.

Those rights have been replaced by a regime of unilateral power, enforced wages and working conditions, and one-man rule. There is no other way to describe it. That may seem like colourful language. It may even seem far-fetched to suggest that this is what is happening. When I heard from a senior member of the government that he felt this legislation was more sensitive to the needs of the people of Ontario than the federal legislation which had been passed, the so-called six and five program, and when I read this legislation and saw the kinds of unrestricted powers that were being granted to this Inflation Restraint Board, I must confess I could not believe my eyes.

4 p.m.

We have to read further before we can understand the importance of changing the definition from the Inflation Restraint Board to the fair prices commission. Listen to the kinds of powers that have been granted to the Inflation Restraint Board in subsection 3(4):

"The board may, in its discretion"—in its sole discretion, whether the chairman gets up on one side of the bed or another side of the bed, depending on how he feels at that time of the morning—"where it considers it desirable to do so, hold a hearing. . ." So he does not have to hold a hearing. Mr. Biddell can decide that he does not want a hearing. He can decide anything he wants. There is no limitation. There is no fettering of his discretion. There are no guidelines or criteria to decide how he should exercise it.

He may hold a hearing, "... and where the board does so, the Statutory Powers Procedure Act applies. . ." Big deal! Any judge in Ontario would say that where you hold a hearing and where you are exercising a statutory power, of course the Statutory Powers Procedure Act applies. There is no choice. So the government is giving nothing away there.

Then we get the exceptions: "... except that, whether or not the board holds a hearing, the board is not required to give reasons for any final order, decision or determination made by it, but notwithstanding the Statutory Powers Procedure Act or any other rule of law, the board is not required to hold any hearing before making any order, decision or determination that it is authorized to make."

That is what I call Stone Age administrative law. That is the most ruthless and brutal expression of one-man rule. What were the words of Mr. Justice Douglas? "It is procedure that spells much of the difference between rule by law and rule by whim or caprice." There is nothing that could be described as more capricious than the legislation and the powers that are being given to the Inflation Restraint Board. It is pure caprice. It is pure whim. It is the replacement of the rule of law with respect to the protection of contracts and collective agreements by the rule of one man: rule by whim, rule by caprice, and that is what it is.

If there is some misunderstanding—and there does continue to appear to be some misunderstanding on the part of many people in the government—with respect to the concern and the opposition that members on this side have to what is happening in this legislation, to the kinds of powers that are being given to one individual in this legislation, the government should understand that our party is not simply talking about an attack on wages; we are not simply talking about an attack on the living standards of people who work for the government, for a city council or for an education board, be it a separate school board or a public school board.

We are talking about an attack on rights, an attack on procedure, an attack on the civil liberties of the people of this province, an attack on due process itself. That has to be understood and appreciated, and if it needs to be said again and again, that is something we will do.

There are other aspects of the powers of the board that have to be understood before the amendment we are putting into place can be fully appreciated. I am referring to the fact that the board, in addition to the extraordinary powers that are given to it under sections 2 and 3, is simply put into place to implement the policies and the program that is contained in part II, the public sector wage restraint sections of this bill.

And in order to understand the objections of members of this party to the powers that have been given to this board and to the procedural nonsense that has been made of the world of collective agreements and labour relations by this legislation, one has to understand not simply subsection 3(2) and its impact on the Inflation Restraint Board as defined in clause 1(a); one also has to understand the kinds of powers that have been given to the board as contained in other sections of the act.

This board has powers which are far-reaching.

It has powers which extend to over half a million employees. It has powers which are restricted only in the sense that the legislation is quite specific with regard to the level of compensation that is to be permitted. The level that is to be permitted is your basic five per cent. There really is not a great deal of discretion or power that the board has to do anything about that or to make any increases or awards above five per cent. In fact, the legislation is quite specific with regard to the groups it is affecting.

I do not want to go into a detailed critique or examination of which parties to an agreement are covered for one year and which are covered for two years, and so on, because I do not think that is entirely relevant; except to say that there has been some misunderstanding and, I think, a misnomer with respect to parts of this legislation. In some instances, at least in the initial stages of the publicity surrounding this bill, it was described as a nine and five piece of legislation with respect to the Inflation Restraint Board as defined in clause 1(a).

There is nothing "nine" about this legislation at all. One has to understand that the one area where the board has been given discretion which I think can only be described as arbitrary is where it is allowed to reach its hand right into the centre of the collective bargaining process, push the trade union or workers aside and impose a settlement that could even be less than that which the employer initially might have been inclined to give.

In fact, instead of being legislation that could in any way be described as balanced or even-handed in the kind of intervention that is permissible, it is quite the opposite. The board will be imposing settlements which in some instances are less than would have been agreed to even under the nine per cent rule by an employer.

It is not a nine per cent solution. There is nothing automatic about the nine per cent at all. Indeed, given the kinds of powers which the board has with respect to the nine per cent, what possible incentive is there for an employer to reach a settlement that is at nine per cent? In the marketplace that is out there, what possible incentive is there for an employer to reach a nine per cent settlement when he knows full well that if he goes before the Inflation Restraint Board there is always the possibility that it will grant well under nine per cent?

So in terms of establishing the IRB in this legislation, what the government is doing is annulling, or getting rid of, collective bargain-

ing itself. I would like to refer to that in just a moment because I think there has been some misunderstanding as to what the importance and meaning of collective negotiations and agreements are all about.

When Ontario adopted that basic framework of law which stems from the federal Privy Council order PC1003, which was passed during the Second World War and provided for a certain basic framework of law, of jurisprudence for the conduct of labour relations in Ontario, that basic framework was to set up certain basic rules.

4:10 p.m.

What were those basic rules? Those basic rules were that where a trade union could successfully organize a plant and convince a duly established board, a labour relations board, that it represented the interests of at least half the members of that plant, that trade union would become the exclusive bargaining agent for that group of employees. It would be exclusive in the sense that the employer had an obligation, under law, to negotiate in good faith with that trade union as the exclusive bargaining agent.

To paraphrase the words of another one of our most distinguished legal minds in the history of this province and of Canada—and I am speaking of the Chief Justice of Canada Mr. Justice Laskin, who prior to being a member of the Court of Appeal of Ontario was a professor of law at the University of Toronto and a very distinguished arbitrator for the first 20 years in the history of the Labour Relations Act in Ontario.

Mr. Justice Laskin made it very clear in many of the arbitration decisions he gave during the 1940s, 1950s and 1960s that the old world of private contract, of a private employer-employee relationship, had ended. In place of that world there was a new collective world which gave certain collective rights to employees and certain collective rights to employers, which would themselves be regulated and controlled by a labour relations board and by arbitrators whose function would be to determine grievances and any difference of opinion arising out of the interpretation of a collective agreement.

Quite simply, what has happened since 1948 in Ontario is that a world of collective rights and collective responsibilities has been created in which it is the obligation of the trade union to represent its employees to the best of its ability, to negotiate in good faith with an employer, and those rights were reciprocal, and that on the

signing of a collective agreement in Ontario that collective agreement was binding for at least one year, and in any event for as long as the agreement provided.

This was a breakthrough which provided for certain protections and also for certain obligations. One could refer to the British industrial relations system, where collective agreements have not traditionally been regarded as binding contracts over a lengthy period of time, and that is one of the reasons why they have had such difficulty over the last few years in coming to grips with the need for greater certainty and for greater longevity and for greater security in terms of their industrial relationships than they have been able to find.

We have found in Ontario that certain obligations are imposed on employers and certain obligations are imposed on employees and on trade unions and that those obligations are contained and expressed not only in the Labour Relations Act but also in their collective agreements.

Since 1948, there have been a number of changes which have, in effect, extended the regime of law which I have just described beyond workers in the private sector to a great many workers in the public sector as well. That change in the regime of law has been met by some important deviations and some important changes, most notably the basic principle that for a great many employees in the public sector in Ontario there is no right to strike. There are also some very severe limitations on the right to bargain and on the ability to bargain which are contained in that legislation.

I am speaking, of course, of the Fire Fighters Exemption Act, the Police Act, the Crown Employees Collective Bargaining Act, just to name three; the act that governs the bargaining rights and abilities of workers in our public hospitals, employees who are covered by a number of pieces of legislation which define their rights in ways that are significantly different from the rights that are contained in the Labour Relations Act but which nevertheless have this one common, basic, fundamental theme.

That common, basic, fundamental theme is that when a collective agreement is signed, either as a result of bargaining or as a result of arbitration, that collective agreement is binding on both parties to the agreement. It is not something which, according to any notion of law which I understand or have ever interpreted

ted, can be torn up or reduced to a nullity by one party.

Mr. Chairman: I would like to interrupt the member for a moment. I have been listening very closely and I do not want to put words in your mouth, but we are attempting to stick closely to your amendment. It would appear to me, and you can correct me if I am incorrect, you are developing your thought as to the problems you have with the present clause 1(a). Is that correct?

Mr. Rae: Mr. Chairman, what I am attempting to do is to—

Mr. T. P. Reid: Waste time.

Mr. Rae: No, I am sorry. The member for Rainy River says, "Waste time." I do not think that is a fair statement because we are attempting to put a serious argument before you, sir, which if I may say so has never been answered by the government. They have never dealt with any of these points with respect to the powers that are being given to the Inflation Restraint Board and with respect to the impact of this legislation on the rule of law. I have yet to hear a single argument from the government with respect to that point.

The point I am attempting to make, and make in entire good faith I can assure you, is that the powers that are given to the board can be understood only if we understand something of the fabric of law against which the Inflation Restraint Board is working.

Mr. Nixon: The member for Riverdale (Mr. Renwick) gave us that for three hours one afternoon.

Mr. Rae: I say to the member for Brant-Oxford-Norfolk, I appreciate his concern. I appreciate very much his impatience, but it seems to me the fact remains that an opposition party has an obligation to raise certain questions with respect to the rule of law and civil liberties. I am a little surprised at his impatience in wanting to cut off that kind of discussion. I would have thought that as a member of the opposition concerned with protecting due process in Ontario he would be a little bit more concerned to see these views get a chance of being resolved.

Mr. Nixon: Mr. Chairman, on the point of order that you raised by interrupting the member in the first instance, there is a section in the bill that deals with the board and the powers the government intends to give to the board. It seems to me that is the time where we might discuss this and offer an amendment that does

not nullify the bill, but in fact improves the control that the Legislature might have over the board, rather than simply stopping the bill at this stage, so we can proceed with significant amendments to many things, including the board and its powers.

Mr. Rae: I always thought it was the job of an opposition, rather than to facilitate the passage of legislation which takes away civil liberties, to raise certain questions about that legislation and to present a principled opposition to that bill when in fact there is no alternative but to do that. That is what we are doing here and we are also offering a very clear alternative, if I may say so to the member who has just spoken, a very clear alternative in terms of our amendment on the fair prices commission.

I would simply suggest that it is not possible for us to present our case with respect to the fair prices commission unless we are able to present our case with respect to the extraordinary nature of the powers that are being given in this legislation to the Inflation Restraint Board. I cannot do that and I am not able to put forward that argument unless I can also explain something as to why we are so opposed to the kinds of powers that are being given to the Inflation Restraint Board. I can assure you, Mr. Chairman, that my remarks are on point and that they are going to be coming back to the point again and again.

4:20 p.m.

If I sometimes take a side route, always heading in a forward direction but nevertheless moving sometimes a little bit to the side, it is because I think it is important for members to understand—and I really mean this—the enormity of what is being done to labour relations, collective agreements and to the rule of law in this province. We take this very seriously.

Mr. Chairman: I would like to point out to the honourable member that from time to time it is those deviations from the main point that I might have some trouble with. To date, I have been following very closely and I have been following the point. Let us continue. If, from time to time, in my estimation I feel that you are not on the point, I will call you to order.

Mr. Rae: Thank you, Mr. Chairman. I am new here. I am not as experienced a member as the member for Brant-Oxford-Norfolk. I hope you will appreciate that I thought—and many other members of my caucus have expressed a similar view—it was important, in the first lengthy intervention that I have been able to

make in this chamber, to get on the record in as clear terms as possible the nature of our opposition to the powers that are being granted to the Inflation Restraint Board and the need for it to be replaced by a fair prices commission.

I will do my very best to keep entirely on point and to even convince members of the Liberal Party, who I know want to see this legislation get through just as quickly as possible because it does not bother their sense of propriety at all, that there are aspects of this legislation which they should be concerned about.

The amendments which are being put forward will not deal with these problems. I believe they are much more fundamental. They go—

Mr. Nixon: That is one person's opinion.

Mr. Rae: That is a question of opinion, that is right. Since I have the floor I am entitled to express my opinion. I would endeavour to do so in a way that I hope—

Mr. Nixon: You spent threequarters of an hour already on this section.

Mr. Rae: If I may say so, the length of your interruptions only increases the length of time of the discussion.

I would like, if I could, to stumble on, as the member for Brant-Oxford-Norfolk says so cruelly about a member with my kind of inexperience. Nevertheless, I will stumble on in the face of adversity and attempt to put a point before the chamber which I think is worth putting. If I may suggest to the member he may learn something—he may, I doubt it because he appears to know a great deal. Just give me a chance to get my point across.

Mr. Nixon: Okay, let's go another threequarters of an hour and then we will have another round of this.

Mr. Rae: All right. Fine. Mr. Chairman, I hope your successor will be bound by the same understanding as the one we appear to have arrived at.

Before I was interrupted, I was referring to the fact that in addition to a world of free collective bargaining, which was established in 1948, we also had the world of arbitration which has been established by a number of pieces of legislation but is being devastated by the legislation which is currently being put before the House and by the powers that have been granted to the Inflation Restraint Board under clause 1(a) of the legislation.

We have seen that the government's arrogance with respect to this legislation has now reached the point where the Minister of Labour

is refusing to exercise his power under, for example, the Hospital Labour Disputes Arbitration Act. He is refusing to appoint arbitrators under this legislation, anticipating the passage of this bill and anticipating that there will be no amendments to it and that there will be no changes in it and that there will be no need for the government to appoint any arbitrators because all the work of arbitrators is now being performed by one man. I am referring of course to the one-man board, the one-man band, Mr. Biddell, who will be the Inflation Restraint Board for the purposes of this legislation.

As I said before I was interrupted, Mr. Chairman—

Mr. Nixon: I am just trying to help you out, create a little interest in your speech. It is dragging.

Mr. Rae: The member is unusually grumpy this afternoon. I am surprised at his lack of patience—

The Deputy Chairman: If the member would speak to the amendment before us, the chair would be very happy.

Mr. Rae: Mr. Chairman, I know exactly what I am doing, but if I may say so, I am having some difficulty because of the nature of some of the interruptions.

What I was suggesting is that the fundamental aspect of labour law, both in the field of those employees who are covered by compulsory arbitration and by those who are covered by free collective bargaining, is quite simply this: both parties are bound by an agreement which they have signed.

Neither party is allowed to unilaterally break that contract, and whenever employees have attempted to break those contracts in the middle of a collective agreement they have been punished, and severely, by the government of Ontario, by their employer. They have paid the price in terms of being fired. They have paid the price in terms of losing days off. They have paid the price in some communities by even being blacklisted and prevented from being employed by certain employers.

Mr. Breagh: And jailed and fined.

Mr. Rae: They have been jailed, as the member for Oshawa points out, and they have been fined. They have been punished by virtually the whole range of the law, either through private contractual remedies in arbitration, or by public remedies such as jailing and fining.

That is why we regard with such seriousness the basic powers that have been given to the

Inflation Restraint Board, established under clause 1(a), those basic powers being that the government now arrogates to itself the unique authority to break collective agreements and to break contracts and to break understandings which have been duly arrived at by a process of either collective negotiation or arbitration.

The government is arrogating to itself, by creating the board known as the Inflation Restraint Board, a power which it would never ever and has never ever given to any employer or to any group of employees.

By creating the Inflation Restraint Board, I want to suggest that a fundamental feature of the relationship between employers and employees in the public sector, in the private sector, the fundamental legal foundation of that relationship, has been shattered. It has been broken and has been replaced, not by a complex piece of legislation that this assembly is discussing at great length, not by a process by which the government takes into account all the things that have been said and indicates that it is prepared to take a long time in discussing the ramifications and the impact that this kind of legislation could have on collective bargaining and on trade unions and on employees and employers, but by a measly 16 pages of simply peremptory, arbitrary, mandatory legislation, capricious and whimsical, to go back to the words of Mr. Justice Douglas—

4:30 p.m.

Mr. Martel: Dictatorial.

Mr. Rae:—legislation that I would describe as dictatorial, legislation that I would describe as peremptory and arbitrary; legislation that gives to one board an extraordinary set of powers, powers for which there can in our view be no justification except under circumstances that have been described—and I am describing this for you, Mr. Chairman, since you were not here—by Mr. Justice McRuer: the seizure and destruction of food unfit for human consumption, orders to take safety measures such as the directions of an inspector under the Factory, Shop and Office Building Act or the exercise of emergency powers under the Energy Act. Only in those instances where the government is able to show convincingly that there is a genuine emergency and a threat to human life, safety or health, can this Legislature pass this kind of legislation with respect to the breaking of contracts in the public or the private sector.

The submission we are making to you, Mr. Chairman, the submission we are making to the

public and the submission we are making to the people of the province is that the circumstances before us simply do not warrant the kinds of extraordinary powers that have been taken on by the Inflation Restraint Board as established and defined in clause 1(a) of the legislation.

The Inflation Restraint Board has powers that are extraordinary and sweeping. Their powers are capricious. And I might add that the rule of law in the work place, for which a great many people have sacrificed and worked very hard—

I see the Minister of Labour (Mr. Ramsay) is here. He knows the meaning and the sensitivity of the quality of labour relations and the importance of the rule of law in labour relations. We all on this side believe very strongly in due process at work and in the protection it gives to employers and to employees, the protection and meaning it has because it gives workers a sense of their rights: that they have a collective agreement; that this collective agreement has been arrived at either by arbitration or by collective bargaining; that the rights contained in the collective agreement mean something and that the bargaining that has gone on in being able to create and make a collective agreement has some meaning because there are no arbitrary or artificial restrictions on the ability of parties to bargain or on the ability of an arbitrator to arbitrate.

And where you take away arguments—yes, arguments—and discussions and negotiations and the give and take over wages, which has been done in this legislation with the power that has been given to the Inflation Restraint Board, established by clause 1(a), what the government is doing is nothing less than taking away bargaining power, bargaining rights and the ability to bargain on behalf of their members from literally hundreds of collective bargaining agents, hundreds of trade unions across the province.

That is the meaning of this legislation. It reduces the ability of working people to bargain for their members. It reduces the ability of working people to provide for their members. It reduces democratic rights. It reduces the ability of trade unions to do the job they have been established to do.

The other part of my argument with respect to the powers of the Inflation Restraint Board and the reason that board has to be replaced by another and very different type of commission and another and very different type of board, is that—and I know that members will say this argument has been made before, but it is an

argument that simply has to be made and has to be answered—a board has been created in Ontario under clause 1(a) of this act that poses a direct challenge to the Canadian Charter of Rights and Freedoms.

Mr. Chairman, you and other members will know that the charter which was proclaimed at the beginning of this year establishes something called “freedom of association” as a basic right. That freedom has never been precisely defined; the meaning of that phrase has never been precisely defined by a Canadian court. But we do have some definitions and jurisprudence on this question. I want to put that before the House because I believe it speaks very much to the real inappropriateness of the kinds of powers that are being given to the board established under clause 1(a) of this act.

A member of our party, who was a member of the committee of the House of Commons on the Canadian Constitution, put forward an amendment to the committee that would have made it clear by a specific reference to the words, “freedom to organize and bargain collectively” and by adding those words to the phrase, “freedom of association”.

When a member of our party moved that amendment, Mr. Chairman, this is what Mr. Robert Kaplan, the Liberal Solicitor General, stated in the proceedings of the House of Commons committee on the Canadian Constitution: “Our position on the suggestion that there be a specific reference to freedom to organize and bargain collectively is that this is already covered in the freedom of association that is provided already in the declaration or in the charter.”

Those are the words of one of the law officers of the crown who was testifying before the committee on the charter at that time. It was the opinion of Mr. Kaplan, speaking on behalf of the government of Canada, that there was no need for the phrase “freedom to organize and bargain collectively” to be placed next to “freedom of association” because freedom of association already meant that; that is the meaning of the phrase, “freedom of association”.

I must confess I do not, ordinarily, rely very heavily on the legal opinion of Mr. Kaplan, but I do think—

Mr. T. P. Reid: That is wise.

Mr. Rae: The member for Rainy River says that is wise. I will pass that opinion on to the appropriate sources.

Mr. T. P. Reid: Tell him I said so.

Mr. Rae: Fine. But on this occasion he was speaking on behalf of the government of Canada. He was indicating why it was not prepared to contemplate an amendment of the kind that we suggested. I think, in that context, that opinion has some weight.

In addition to that, there is a substantial body of international law on this subject that stems from the convention of the International Labour Organization, which Canada has signed with Ontario's approval. The basic premise that has been established is that freedom of association means the right to organize and to bargain collectively and—these words are important; I am going to be quoting verbatim in a moment from the opinion of the ILO—if a right to strike is taken away, legislation must ensure:

“Adequate guarantees to safeguard to the full the interests of the workers thus deprived of an essential means of defending their occupational interests. The restriction on strikes should be accompanied by adequate, impartial and speedy conciliation and arbitration procedures in which the parties can take part at every stage and in which the awards are binding in all cases on both parties. These awards, once they have been made, should be fully and promptly implemented.”

This opinion of the so-called freedom of association committee of the ILO has been invoked on numerous occasions by the ILO. It is generally accepted in international human rights law as being the definitive decision with regard to the meaning of the phrase, “freedom of association.”

4:40 p.m.

It has to be clearly understood, and I do not think it has been understood by this government and I do not think it has been understood by the Attorney General (Mr. McMurtry), that when the government of Ontario and the government of Canada participated in the patriation of the Canadian Constitution with a Charter of Rights, that charter bound the province and bound the Legislature of the province. That charter has priority over the actions of the government of Ontario. It has priority over the actions of the Inflation Restraint Board as defined in clause 1(a) of Bill 179.

In that context, I would have thought that when we make these arguments—and I have made them before, outside of the Legislature at some length in a speech I gave at the University of Toronto law school, and our justice critic, my good friend the member for Riverdale (Mr. Renwick), has made these arguments in this

House on second reading. I have made these arguments and he has made these arguments in committee in dealing with the clause-by-clause discussion of this bill, and we have yet to have an answer from the government of Ontario with respect to its interpretation of the meaning of the phrase "freedom of association" as contained in the Charter of Rights and Freedoms.

I asked the Attorney General yesterday whether there was such an opinion of the law officers of the crown and if there was any opinion with respect to the meaning of the phrase "freedom of association". His answer was as follows—

The Deputy Chairman: The honourable member is somehow moving from the—

Mr. Rae: I am not, sir. I am referring directly to the powers that are being given and to the definition of the "board," that is, the Inflation Restraint Board, and the impact of that phrase on freedom of association in the province. It is only when we are able to put that argument forward that I think the chairman will appreciate why we are unable to accept that clause, why we are calling for its deletion, and why we are calling for its replacement by another commission, to be known as the fair prices commission.

I do believe this argument is quite fundamental to the position of our party, quite fundamental to the views we have with respect to this legislation and quite fundamental to our arguments with the government. I do believe it is extremely and directly relevant to the definition of "board" contained in clause 1(a).

When the Attorney General of this province says to this Legislature that he does not recollect ever having seen a written opinion, he does not know whether there is a written opinion or not, but that in his judgement, based on some conversations he appears to have had or might have had with unnamed advisers of his, this does not appear to cause any problems in respect to freedom of association, I think we are entitled to a better answer than that with respect to this legislation.

We are entering into a new field. We make no bones about that. I do not pretend I have all the answers with respect to the meaning of freedom of association. I have put forward certain arguments and the member for Riverdale has put forward certain arguments. All we are asking for is a reply. All we are asking for is constitutional opinion on something that is quite fundamental.

It would appear that the rule of law means accepting the Canadian Constitution, and the rule of law means accepting that the Canadian

Constitution has priority over any legislation that is passed in this Legislature. This is a new ball game for all of us in the common law tradition. The idea that there should be a charter that has priority is a new phenomenon. It is because it is a new phenomenon that it cannot be treated with such cavalier casualness as it has been by the Attorney General. For him not even to have bothered to have an opinion, for him not even to have bothered to come before the committee and indicate how and why, in what ways, and what arguments he was putting forward—but our arguments were incorrect—I think is astonishing. It is directly relevant to clause 1(a), because it affects the Inflation Restraint Board.

I can understand why the Liberals are so unhappy about the type of opposition and the views that we have been expressing on this bill. When the Leader of the Opposition got up to speak on second reading, did he raise any questions about due process? Did he raise any questions about freedom of association? Did he raise any questions about the impact this legislation would have on the whole world of collective bargaining, or on the world of industrial law?

No. What was his single concern? That it did not go far enough. It did not last long enough. It was not pre-emptory and arbitrary enough. We have been taking the time in the past few weeks to explain and expose to the people of Ontario the very real impact that this legislation, as defined in clause 1(a), is having on all these things. And it makes the Liberal party uncomfortable. They want us to speed up the process.

The Deputy Chairman: I think the honourable member should be speaking to this part of the bill at this time.

Mr. Rae: I just referred to the board.

The Deputy Chairman: I am looking for relevance to the—

Mr. Rae: I am doing my very best. I am attempting to put forward an argument which I believe is fundamental. With the greatest of respect, we have had no answer from the government with respect to these substantive arguments, none whatsoever. We have not had one consistent, persuasive argument with respect to the impact that the Inflation Restraint Board is having on contracts, on the rule of law, on the world of collective bargaining, or on freedom of association. Not a single one. We have not had a word from the Minister of Labour, from the Minister of Health (Mr. Grossman) or from the

Attorney General. We have not had a single peep, not a bite, not an indication, not a word. This is the source of our opposition to this measure.

The source of our opposition to this measure is that the only person who has been allowed to speak for the government is the Treasurer, who has been speaking in terms of the macroeconomic impact of this legislation, which is zilch. The Treasurer was unable to answer any of the questions and he did not participate in the windup of the debate on second reading of this bill. I think these arguments have to be put with respect to the extraordinary powers that have been given to the Inflation Restraint Board.

If I could conclude on the argument about freedom of association, I will only be a few minutes. The point that is being made by the International Labour Organization and by the Solicitor General of Canada is clear. The words "freedom of association" have a meaning. They have a meaning. The meaning has been defined as the freedom to organize and to bargain collectively.

Where the right to strike has been taken away, that right to strike has to be replaced by an arbitration process that is binding on both parties. The substitution for the right to strike has to be a continued limitation on the right of the government to impose a unilateral settlement on a group of workers because that unilateral settlement is a direct threat and a direct affront to the meaning of the words "freedom of association."

It is quite possible the Attorney General did not know, when he advised the government of Ontario to go along with the Constitution, what the words "freedom of association" meant. It would be quite possible that he really does not care. Based upon the extraordinary performance of the Attorney General yesterday and today, it is possible that both of those things are the case.

Be that as it may, and although the government would prefer to pretend that there was not a Constitution at this time that affected this bill and that there was no such thing as freedom of association contained in the bill, the fact remains that the words are there in the Canadian Constitution. Surely we are entitled to hear from the government its opinion with respect to the meaning of that phrase.

The reason it is important with respect to clause 1(a) is because the Inflation Restraint Board is a direct attack on freedom of association as that term has been defined by the ILO and by the Solicitor General. It is a direct attack

because in place of the world of arbitration, in which the parties can take part in every stage and in which the awards are binding in all cases on both parties, we have a process and a board with powers which are very different from that.

4:50 p.m.

That is why the argument is important and fundamental. That is why we are still waiting, will continue to wait and will fight and fight again until we get an answer from the Attorney General with respect to this basic and fundamental question.

There has been some question as to what the nature of our opposition to this bill is. I was questioned on that very question as soon as the bill was presented to the Legislature prior to my becoming a member of this Legislature.

I hope I have shown to you, Mr. Chairman, and to the other members of the House that the questions which are raised by this clause and by the creation of the Inflation Restraint Board are so fundamental that no opposition party concerned about due process and the rule of law could let this clause pass without challenge.

This clause is bad for the rule of law in labour relations and it is bad for due process in administrative justice. It is for that reason, and for an additional reason I will come to in a moment, that we in our party support the replacement of the words, "'Board' means Inflation Restraint Board," by the words, "'Commission' means the fair prices commission."

It is the view of our party that, if the government wants to do something about inflation, it should do so in a way that does not attack the fundamental rights and fundamental collective agreements which have been passed, approved and ratified by the government as well as by trade unions.

If the government wants to do something about inflation, it should give itself powers and it should delegate powers to a commission called the fair prices commission, arguments for the establishment of which have been made for many years by my good friend the member for Welland-Thorold (Mr. Swart) and others. That commission would have sufficient powers, we believe, to deal directly with the challenge and the problem of inflation.

At the beginning of my remarks, I said the government was engaged in an act of extraordinary hypocrisy in pretending that the Inflation Restraint Board had anything to do with the restraint of inflation. The Inflation Restraint Board as contained in this legislation is not an

inflation restraint board; it is a public sector wages expropriation board.

That is what it is. It is a public sector wages expropriation board. I would like to submit that if this was an expropriation of anything other than wages in the public sector, every single member on that side of the House would be complaining about the kinds of arbitrary powers which were being given to the Inflation Restraint Board.

If this was an expropriation of any kind of property or contract other than a collective agreement for the workers of this province, every single member of the House, on that side and on this side, would be raising his or her concerns about the kinds of arbitrary powers which had been given to that board.

Mr. Martel: Walker would go crazy.

Mr. Rae: Can the members imagine the response of the Minister of Industry and Trade (Mr. Walker)?

Mr. Martel: He would go mad.

Mr. Rae: Can the members imagine the response of the Minister of Municipal Affairs and Housing (Mr. Bennett)? Can the members imagine the response of all those people? I see the member for Prince Edward-Lennox (Mr. J. A. Taylor). Can the members imagine his response if we were talking about the expropriation of any form of private property or of any kind of contract of somebody who was living in his constituency? I suspect he would be angry, and I think he would be justifiably angry, because in his defence of the rights of property and of civil liberties of his constituency he is second to none.

The fact remains that for a great many working people one of the most important pieces of property they will ever own is their collective agreement. It is a contract they have signed with the government or the school board or the municipalities. It is one of the most precious rights they have in an economic sense. It is something they have bargained for, have sacrificed for, and have given up some other benefit for, in that give and take which is so much a part of the collective bargaining process.

It is a very important right and benefit. It is more than simply a benefit, because it is something that has been bargained for and negotiated for and that has the status of law under a collective agreement or a piece of public legislation that has been passed by this Legislature. It is a public right, and it is something that is being expropriated unilaterally by one group of indi-

viduals who happen at any one given time to have a majority in this Legislature.

I know the arguments I am making here are not tremendously popular in some sectors. It is convenient sometimes for people to turn a blind eye to the fact that collective agreements do grant rights that are real: a bundle of rights that people want to keep hold of because the agreement is something they have signed, and that they think have some meaning. Nevertheless, that is the meaning of a collective agreement and that is the meaning of what this government is doing. It is expropriating without a hearing, without due process of law, without any of the protections of the Statutory Powers Procedure Act, without any and all of the protections that are given in all the expropriation proceedings in Ontario. It has been taken away on the basis of a very arbitrary, peremptory, dictatorial, simplistic piece of legislation that gives to the Inflation Restraint Board under clause 1(a) these extraordinary powers.

That is why it is not an Inflation Restraint Board, because it is not controlling inflation. It is not doing anything about inflation. The government is not reducing interest rates by a single point by making sure that garbage collectors lose \$1,000 per year. It is not bringing down any Hydro or Consumers' Gas rates. It is not reducing the price of insurance. It is not affecting the tax rates. It is not affecting anything. It is nothing other than a statement of wishful thinking on the part of the Premier and the Treasurer that something wonderful is going to happen once this legislation has been passed.

There is the very real problem in calling it the Inflation Restraint Board when it has nothing to do with the control of inflation. That is the problem we are addressing by putting in our fair prices commission. That is why we have so many substantive amendments to make in part III of the legislation. That is why part III and clause 1(a) are connected. If the government wants to do something about administered prices let us see it do it. Let us give the fair prices commission the power to do what needs to be done to make sure that extraordinary price increases are not being imposed unfairly on consumers.

Is there a problem with administered prices in Ontario? Of course, there is. For example, today we asked questions of the Minister of Consumer and Commercial Relations, for the second day in a row that he has been here, as to why his government is not prepared to deal with the fact that consumers appear to be paying too much

for unleaded gasoline as opposed to leaded gasoline. We got a long song and dance from the minister, who said he has written a letter to André Ouellet. It takes a lot of skill, courage, guts and determination, to write a letter to André Ouellet when we already know what his answer is. We had the answer last week in the House of Commons, and it was very clear and specific. The Minister of Consumer and Corporate Affairs in Ottawa said, "I do not have the power."

5 p.m.

The Premier says the Minister of Consumer and Commercial Relations has the power. Even the Attorney General says the minister has the power. I do not know whether the Attorney General actually studied this question, or whether there was a written opinion that allowed him to reach this devastating judgement. Or perhaps it was simply done on the basis of some locker-room conversation about this piece of legislation before a hockey game; I have no idea. What we do know is that the Attorney General offered himself of the opinion, in 1979, that yes, indeed, the government had the power.

Mr. Wildman: They did it in 1975.

Mr. Rae: As my friend the member for Algoma points out, the government itself did it in 1975. They did it by passing legislation that would give them the power to do what the Minister of Consumer and Commercial Relations is so obviously unprepared and reluctant to do on behalf of consumers. Yet this is a government that says it is interested in controlling inflation. This is a government that says inflation is public enemy number one. This is a government that says the control of inflation is something it considers its very highest priority.

This government is not interested in controlling inflation. It is interested in passing clause 1(a) which is, cosmetically and confusingly, called the Inflation Restraint Board, but which in reality has absolutely boo-all to do with the control or the restraint of inflation in any way, shape or form.

This board does not give the power to the government to control inflation. It does not give the government the power to control prices. It does not give the government the power to control any of the negative impacts which the Liberal interest rate policy has had on individual Ontarians. It simply provides for the expropriation of wages in the public sector.

We need a fair prices commission with the power to roll back price increases that cannot

be justified and the power to deal directly with those big actors, those powerful interests in the provincial economy that are imposing their administered, fixed prices on consumers who are powerless to negotiate them or to resist them in any way. We need a fair prices commission that would have those kinds of power.

Think of what a fair prices commission could do. On a reference from the Minister of Consumer and Commercial Relations, a fair prices commission could examine the very simple question, how much does it cost to produce unleaded gas? Does it cost 0.3 cents per litre, as has been alleged by Environment Canada, or does it cost more or less than that? Once that answer was found, the fair prices commission would be in a position to say, on the basis of the evidence before it, that the 2.4-cent differential, which now is being charged to the consumers of Ontario and which is costing them \$200,000 a day, would be abolished. That differential would be withdrawn; prices for unleaded gas would be frozen; prices for unleaded gas could be rolled back.

A decision could be taken in all fairness, with due process and the ability of the parties to appear and make their case, with the further protection of the rights of all the people who are involved. The commission would have the ability to say, "In a world where the marketplace really is not working terribly well for a great many people, some prices are simply too high and have to be reduced."

I find the government's vision is completely skewed when it comes to clause 1(a). We have this confusing misnomer, this cosmetic deception, this determination on the part of the government to pretend that something is what it is not. There is an Orwellian quality on the part of the government in calling something a name when it is an exact opposite to what is being done. There is something Orwellian about calling it the Inflation Restraint Board when there is no inflation being restrained and when all it does is damage workers' rights and their purchasing power.

Mr. Foulds: It's called Newspeak.

Mr. Rae: It is 1984 Newspeak, as my colleague has pointed out.

When we think of the kinds of powers that a fair prices commission could have, it is really frightening when we consider the extraordinary reluctance on the part of this government to investigate, to deal with those big, powerful actors, some of them malefactors—the great malefactors of wealth, as Roosevelt called them—

who have such extraordinary power in our provincial economy.

I do not know what the explanation is for the government's reluctance to act in the field of prices, Mr. Chairman; perhaps you do, because you are somewhat closer to the source than I am. But we recognize this is the government that decided to take on itself the task of bringing to heel Ontario Hydro, of bringing to heel the extraordinary power that has accrued now to that corporation, which has quite extraordinary powers and which is not subject to the kinds of scrutiny and control by this Legislature that we in our party firmly believe it should be and must be subject to.

For this government to act in the field of prices would mean it would have to deal with the large oil companies, with the large insurance companies, with the banks and with the trust companies—the government's very good friends, we have it on reliable authority. It would mean dealing with all those agencies and corporations and all those actors in our economic system that have accrued to themselves such extraordinary power in the setting and establishment of prices.

No, the government prefers to pretend that there is some sort of oriental bazaar going on out there in the marketplace; that what we are seeing is an extremely competitive marketplace activity somewhat similar to the sorts of bargains one would get in a bargain basement, a discount store, an open market or an open forum.

The deals in the real estate field over the past six weeks; the increases that have been exposed in the insurance field, which have been exposed with such effectiveness by my colleague the member for Welland-Thorold (Mr. Swart); the unexplained increases in certain food products, whose prices are controlled by the large wholesalers and distributors of much of our food; the extraordinary and increased concentration of corporate power which poses a threat to democracy and to economic democracy in our province—these are features of the real economy. This is what is really happening out there.

It is not the image in the government's head of some sort of tremendously free and vibrant marketplace that is affecting what would take place under the fair prices commission or lowering prices without need for a fair prices commission. That image in the government's head is totally inappropriate and totally out of keeping with the reality of what is happening in our provincial economy.

If this government were serious about con-

trolling prices in Ontario, it would be establishing a fair prices commission and would not be bothering with the kind of Inflation Restraint Board that is being established pursuant to clause 1(a).

5:10 p.m.

If I might sum up, I have argued two fundamental points. The first one is that the powers given to the Inflation Restraint Board are extraordinary, unusual, emergency, peremptory and dictatorial powers. They are powers that not only are unusual in peacetime but also simply cannot be justified according to the tests laid down by Mr. Justice McRuer when he referred to where there might not be any antecedent procedural requirements referring to the seizure and destruction of food unfit for human consumption, safety and so on, or the exercise of emergency powers under the Energy Act.

I have suggested that there has developed a world of law and due process in industrial relations that is precious; it contains very important rights for working people; it contains a kind of right that should be but has not been protected by due process in this legislation.

I have suggested that this concern of ours, which is in a sense procedural, is fundamental because it is very much in keeping with the history of public, labour and administrative law in the province that procedure is important. Whether or not a person has a right to appear is important. Whether or not a person has a right to a hearing is important. Whether or not a person has a right to make a case is important. Whether or not a person has a right to a reasoned answer based on some foundation, law, process or answer, that is important. This legislation does none of those things.

I have suggested that in addition to posing a danger to collective bargaining, procedure, due process and rule of law, the Inflation Restraint Board presents a danger to the Constitution itself—to the notion of freedom of association and to free collective bargaining rights.

I want to close the first part of my argument by quoting in summary form a statement issued by His Eminence Cardinal Carter on the occasion of the first anniversary of the Papal encyclical *On Human Work*. It is dated October 15, 1982, and it is subtitled "The Rights of Workers." I am quoting now from what Cardinal Carter said:

"Many of us have watched with grave concern the attacks in Poland on the trade union Solidarity and have sought to support workers

there; no less should we seek to assure the rights of workers here in our own country.

"The economic crisis in which we find ourselves is growing more acute. The hardships and suffering which it is causing are increasing. The burden of economic depression tends to fall hardest on the most unprotected. Various elements in our society are searching for solutions. There are no easy or simple answers. What is clear, however, is that no solution can be accepted which abrogates the basic rights of workers to bargain collectively and, in some circumstances, to turn to the strike as a final resort.

"The church's mission does involve the defence and protection of human rights. But this is a moral issue, and the church is morally obligated to speak out when rights are threatened. Any economic plan that involves the denial of the rights of one segment of society affects the quality of life for us all and can only make us all poorer as a result."

I also want to refer to a letter that appeared in the November 9 edition of the London Free Press from Most Rev. John M. Sherlock, the Bishop of London. Bishop Sherlock was commenting much more specifically on the relation between Bill 179 and the Papal encyclical *On Human Work*. He goes through many sections of the bill. He says in words similar to those of Cardinal Carter:

"Admittedly our legislators face a difficult task in trying to come to terms with our economic troubles. There are no obvious or easy answers. However, no solution, no matter how justified its goals, is acceptable if it violates the norms of justice. Bill 179 appears to risk doing precisely that."

Bishop Sherlock then goes on to deal with the impact it has in terms of the recourse to strikes, the impact it has on arbitration, the impact it has on the rule of law, the impact it has on the rights of workers, and the fact that the legislation unilaterally cancels many legal agreements already binding. He says, "One wonders what happened to the old understanding that a bargain was a bargain." Those are the words of Bishop Sherlock, the Bishop of London, and I could not have expressed it any better myself.

Finally, the second half of our argument is simply this: The words "Inflation Restraint Board" have to be changed and amended. The concept of the Inflation Restraint Board as it is defined and as it has been presented in this act has to be replaced by that of a fair prices commission which would give the power and

ability to the government to deal with prices, to deal with those people who are causing inflation, to deal with those actors in the system who have been able unilaterally to impose price increases on the public for far too long and, finally, to deal with the hypocrisy of calling something an Inflation Restraint Board that has absolutely nothing to do with the reduction of inflation and everything to do with the expropriation of wages.

I appreciate very much the opportunity to speak on clause 1(a). I want to assure you, Mr. Chairman, this debate is not over.

Mr. Wrye: Mr. Chairman, I will be brief in speaking to this clause. I listened with interest to the comments of the member for York South. It seemed to me a number of them had to do more with comments he may also wish to make on section 3 of the bill, particularly subsection 3(4), on which we will be placing an amendment.

It seems to us we have made the argument in committee that in clause 1(a) we are simply dealing with definitions and not with powers which may be subject to debate later on. The honourable member has not made a telling argument to us as to why we ought to change the definition from board to fair prices commission.

Since we would like to get on with many of the important amendments we will be placing, I am pleased to hear the comments from the member for York South in regard to subsection 3(4), as I am sure he will support our amendment at the appropriate time. We will be unable to support the amendment the member has suggested in clause 1(a).

Mr. Cooke: Mr. Chairman, I want to make a few brief comments about our amendment to clause 1(a). Obviously I will be supporting this amendment. I am disappointed the official opposition is not going to be supporting the amendment, but it does not surprise me. That coalition has existed now since September 21. I expect it will continue.

Mr. Kerrio: I feel very comfortable voting against you rascals any day.

5:20 p.m.

Mr. Cooke: I feel very comfortable in the fact that the member for Niagara Falls is voting against us. If he were supporting us, I would know there was something wrong with our position.

Hon. Mr. Norton: You members can feel comfortable with each other. We don't feel comfortable with any of you.

Mr. Cooke: The member has them on his side and he looks very relaxed and very comfortable. I am also surprised the official opposition wants to participate in the fraud that is being perpetrated on the people of Ontario by calling this board the Inflation Restraint Board.

It is a fraud. There is no way we can participate in so calling a board that is simply a wage control board, that is all it is. We are not going to participate in supporting that section. We want to turn this bill around. We want to make this a real Inflation Restraint Board and committee. We want to change this bill so that we have—

Mr. Wrye: Why didn't you call it a compensation restraint board then? Why do you want to change it all around?

Mr. Cooke: It is because we do not believe that wages should be constrained. We believe the fact of the matter is that one controls inflation by controlling prices. When prices are controlled, wages follow. That is how one controls wages.

Bring inflation and expectation down and the wages come down as well. All people want to do is maintain their standard of living. For those members to do what they are doing in supporting the government here, and then going back to home ridings and trying to give the indication there is a good chance they may oppose this bill on third reading, is hypocritical.

The powers of this board have been very well explained and very well exposed since September 21. They are unfair. I am not a lawyer but I do understand something about the principle of natural justice. I understand something about the principle that had been accepted by the Attorney General and the Premier called freedom of association.

I want to give a few examples of why this section of the bill has to be changed and why our amendment should be accepted. They call this board, under the government's bill, the Inflation Restraint Board.

I would ask the Treasurer when I am finished my comments to get up and indicate to this Legislature exactly what his predictions are of how much inflation will go down in Ontario as a result of this piece of legislation. Perhaps I should place that question and ask the Treasurer to respond now, as that is the usual process in committee of the whole.

Hon. F. S. Miller: Mr. Chairman, I do not think that is appropriate to the amendment.

Mr. Cooke: The reality of the situation is that when we put the question to his officials in the

lockup on September 21 they told us there was no prediction of how much inflation would go down. They had no idea what the impact of this legislation would be on inflation in the province. The reason they have no idea what the impact will be is because this is not an Inflation Restraint Board, this is a wage control board as proposed in Bill 179.

This wage control bill does some of the following things. For an Ontario Public Service Employees Union clerical worker, the contract they have signed—the deal they have made with the government of Ontario, the contract this government intends to rip up, not honour, destroy—calls for an 11 per cent increase on January 1, 1983.

This so-called Inflation Restraint Board in this particular piece of legislation means the average salary on December 31 is \$18,058 or \$347 per week. This board, this piece of legislation and the five per cent solution will mean this individual will lose \$1,084 per year. That is not inflation control, that is wage control.

For an OPSEU office worker whose average salary on December 31, 1982, is \$17,184, the contract calls for an 11.12 per cent increase on January 1, 1983. This is a contract signed by this government that is not going to be honoured by this government. It is going to be ripped up by this government with the help of the Liberal Party.

The five per cent solution means that 7,000 workers will lose \$1,052 per week. That is not inflation restraint; that is wage control imposed on these workers by the Liberal and Conservative parties in Ontario.

The average OPSEU worker on December 31, 1982, earned \$21,080. Assuming that an 11 per cent settlement would have been arrived at through bargaining or arbitration, then 52,300 workers are being robbed of an average of \$24.32 per week, or \$1,265 a year. That is not inflation control, that is not inflation restraint; that is wage control, wage restraint being imposed on these people by the Liberal and Conservative parties of this province.

Take a nursing home worker in this province. The average Service Employees' International Union worker in a nursing home would have had a salary of \$15,951 per year by March 31, 1983. The five per cent solution means that these workers will lose \$957 per year, and those are the nursing home workers at the upper end of the scale.

We had examples brought into the Legislature of the Ark Eden Nursing Home, where they

are barely paid minimum wage. This bill means that those workers will be restricted to five per cent. The owners of Ark Eden Nursing Home, on the other hand, will get exactly the same per diem as the other nursing homes that pay their workers considerably more. All we are doing with this legislation is building in extra profits for the owners of Ark Eden Nursing Home. That is not inflation control at all; that is wage control again being imposed by the Liberal and Conservative parties of this province.

Our strategy on this bill is going to be to try to convert it into a true inflation restraint bill, a bill that controls prices and thereby brings down inflation and thereby—

Mr. Kerrio: Big flip-flop by the socialists. You said you weren't going to amend the bill. You said you were just going to vote against it.

The Deputy Chairman: Order, please.

Mr. Cooke: Does the member for Niagara Falls want the floor?

The Deputy Chairman: The member for Windsor-Riverside is addressing section 1(a) of the bill with an amendment.

Mr. Cooke: Mr. Chairman, later in an amendment to this bill we will be setting out the criteria as to what a fair price actually means. There will be several criteria by which this board, the fair prices commission, can measure whether a price that is going to be increased in the province will be a fair price increase. It is through those kinds of measures, not through wage controls, that inflation will be brought under control in this province.

I think this first amendment, which signals what we will be doing with the rest of this bill, is worthy of the support of all members of the Legislature; and I think the Treasurer should simply indicate here today that they have made a mistake, that they tried to ride on the six and five program of the federal government, which their polls indicated was popular.

This is not an economic solution to our problems at all. This is simply a political solution to the problems that the polls showed the Treasurer and the Premier they had created by their inactivity and their lack of leadership on the economic crisis in this province. So they bring in the five per cent solution and try to ride on the coat-tails of the six and five program. At this point I am sure the Treasurer would indicate that it has even been something of a political mistake and disaster as well as an economic mistake and disaster.

I hope, since the committee of the whole

House has a little bit more flexibility, that at some point the Minister of Labour (Mr. Ramsay) will also participate in the debate. I know the Treasurer has put tape over the mouth of the Minister of Labour on this issue, but perhaps that tape can be removed and we can have the participation of the Minister of Labour, and he can give us some of his comments on how he feels this bill will affect labour relations over the next number of months or years or perhaps decades into the future.

5:30 p.m.

In conclusion, I would ask if perhaps the Treasurer can tell us exactly the effects of this bill on inflation in this province. If he cannot answer that question, then clause 1(a) of the bill has to be defeated because he is admitting that there will be no effect on inflation whatsoever, that they have done no projections at all and that he is participating in perpetrating a fraud on all the people of this province as well as all 125 members of the Legislature.

Mr. Riddell: My comments will be very brief and they will be by way of a poem which was submitted to me by a member of Local 533 of the Ontario Public Service Employees Union. It goes as follows:

I am a Civil Servant
A true Canadian made
I'm greatly greatly overworked
And grossly underpaid.
The public wants its pound of flesh
And heaven knows what more
We civil servants are in a mesh
From what we know is still in store.
The stress, the pain, and endless cries
From public, press and paper belies
And image false, beyond belief
Does not give us much relief.
We feel that we are underrated
By pictures that politicians created
We do our best, in every way,
But damned we do, and damned we may.
Dear Billy got us in this mess
Please help us in our daily stress
To clear us in the public eye
By quickly letting untruths die.
So now that we have had our say,
We hope the public will see our way
And help create a better day
So fears of all will go away.

The Deputy Chairman: I think I should remind all honourable members that we are really discussing an amendment that clause 1(a)

of the bill be struck out and the following substituted therefor: "(a) 'Commission' means the Fair Prices Commission." I did not want to ruin the poetic licence that the honourable member took, though. The member for Sudbury East.

Mr. Martel: Mr. Chairman, you have forced me into it.

If I might, I want to get the Treasurer's attention, to take him back a couple of years to when, on one occasion, one of his colleagues rose in his place and said he was cutting the salary of the cabinet by five per cent. Does he recall that? Yes, he does recall that.

The uproar that went on among the cabinet ministers was unbelievable, as was the great delight that some of the cabinet had when that particular minister was defeated. There was nary a tear shed, and most of them made reference to the fact that Eric the Winkler in fact had the boots put to him.

Certainly, the cabinet could have afforded the cut a lot more than the salaries we are dealing with today, and they did not like it. They did not like it and it was done by one of their colleagues. They resented it bitterly. I remind the Treasurer of that little event simply because what he is doing to a lot of people with a lot less salary is what he and his colleagues resented when it was done to 26 of them. One can imagine the distress among the 500,000-odd people affected. The cabinet did not like it and they could afford it; these people cannot afford it and they do not like it and he is prepared to do it.

The Inflation Restraint Board, as I said in committee, is as if General Jaruzelski had visited it upon Ontario. I cannot help but think how members on all sides of the House got up and supported the efforts of Solidarity in Poland. What he is doing is giving powers to a board that are equal to anything that went on there in terms of collective bargaining and having the right to have a matter arbitrated.

The powers given are so wide and so sweeping. He determines certain aspects. If he decides not to tell you why, he does not have to. Can one imagine? Can one imagine giving someone that much power, for example, the president or vice-president of Honeywell—

The Deputy Chairman: The member is speaking to the amendment on "commission" and the principle of the bill. I think he is getting more into—

Mr. Martel: He has the Inflation Restraint

Board under clause 1(a). Those are some of the powers he has, Mr. Chairman. They are so all-embracing that he does not even have to account for his decision. He does not even have to indicate why; he just dictates. Why are we giving this type of power—

Mr. Cooke: He looks happy, too.

Mr. Martel: Yes, you look happy—grinning, smiling. But that is the type of power you are giving him. As I was about to say about Honeywell, can you imagine the president of Honeywell having that kind of power? He could look down the aisle and say, "Well, Mr. Chairman, you are gone today," and not even tell you why. That is the power we are giving to one individual over the lives of some 500,000 people for a year or two or three. I find it difficult to accept.

There is certainly a misnomer there. It might be called the Jaruzelski board, or something like that, rather than the Inflation Restraint Board. Aside from controlling wages, what does it control? My leader asked earlier if it controlled gas but the government has an answer for that. It says those things are offshore. When they are passed through to us, we have to go by the contract signed in Ottawa with the Alberta government. We have to honour it. We have no control over it.

I ask this assembly, what about the workers whose mortgages are coming due tomorrow or the day after? Do they have any control over the mortgage rates they are going to be charged? The government on one hand can say it has no control over those; they are there and it has to pass through these costs. How do the workers pass through those costs over which they have no control?

The government ignores that as though it did not exist. It says to hell with the workers, they have to live with it; but not the government. Look at Ontario Hydro: one of the problems with Hydro was the cost of producing power. It was not five per cent, it was 8.2 per cent, I believe. Those people who are limited to five per cent have to meet the 8.2 per cent. They also have to meet the new mortgage rate. If wages are to be controlled at five per cent, the same thing should be done with those things the government is responsible for; but no, because it cannot control those things.

Then how do the workers control it? The government does not want to answer. Barney Miller left when I started to speak. He has been in and out like a flea. The only answer he has given so far is that this—what was it he said to you?

Mr. Cooke: He said it was an inappropriate time to ask that.

Mr. Martel: Yes; he said it is an inappropriate time to ask what this board is going to do. The name is the Inflation Restraint Board, so it is inappropriate to ask what rate of inflation is anticipated over the next 12 months as if it was an Inflation Restraint Board, which it is not.

That is why the Treasurer will not answer. It has nothing to do with inflation restraint at all. Let me give you another example. What about rent? It is not limited to five per cent even in the big deals that recently have been going on like mad. The massive profits are immoral but legal.

Hon. Mr. McCaffrey: Immoral profits?

5:40 p.m.

Mr. Martel: They are immoral profits, because the people involved have gone out and made deals over and above everything else. Do members think people, some of them civil servants, have any control over their destiny when the government is prepared to allow that to occur? I remember some cabinet ministers getting wound up when they lost only five per cent six or seven years ago. They did not like it one bit. I think they threw a party the night Winkler got defeated, some of the Conservative members were so irritated because he had cut their wages.

Where is inflation restraint when it comes to rent? How, on one hand, can the government say workers will get five per cent—and that is limited and contracts are broken that call for more than five per cent—but on the other hand they are going to have to meet more than five per cent. They have to meet costs for gas, and they have to meet an 8.2 per cent increase, at least, for hydro. Many of them have to meet increases in mortgages and in rental.

I could not help but be interested in an article I read three or four weeks ago about those people who contributed identically to the Liberal Party and to the Progressive Conservative Party federally. Five of the major banks gave \$25,000 to \$30,000 each. Heaven forbid we would touch them. Can those workers whose interest rates on mortgages are going to go up—even though mortgage rates are coming down slightly—if somebody has a 10.25 per cent mortgage rate and it goes to 16 per cent can he pass that through somehow and get more than five per cent? No way. They have to learn to live with it. In Ontario, the things the government is responsible for get passed through but the workers do not have a pass-through for costs. Isn't that funny? The hypocrisy in the bill really

is beyond the pale. The people cannot pass anything through, but the government, in its wisdom, says it can.

Let me give members another example of what the government is contributing to—Ontario hospital insurance premiums at an increase of 17 per cent. How can the workers pass through an additional 17 per cent? They cannot. But the government says: "We need this. We made commitments." The workers made commitments, too, and their wages are frozen. They cannot do the same as the government of Ontario and say, "Ah, we need a pass-through." What is fair about it? Absolutely nothing. To call it an Inflation Restraint Board is the height of hypocrisy, because all it does is control wages, nothing else. The government is determined to fight inflation but the things for which it is responsible are allowed to go higher than five per cent; what hypocrisy.

If we wanted to be serious, one of the biggest costs is interest rates. We do not have it in our power in Ontario—at least I have listened to the government say this over and over again—to control them. They are set somewhere else. They belong to the jurisdiction of the federal government. Even we know the interest rates we will pay in Canada are virtually set in the United States. If interest rates go up in the United States they will go up in Ontario and Canada. We have no control. We can only hope and pray Mr. Reagan does not get his way in the United States. But what is the government going to do about it with this Inflation Restraint Board?

Is it going to control mortgage rates? Not a bit. Is it going to control gas prices or Ontario health insurance plan premiums? Not a bit. Is it going to control Hydro? Nary a cent.

But workers: they are vulnerable, are they not? It can pass a law that says: "You have five per cent. You do not have any rights of collective bargaining. You do not have the right of arbitration." What is it if it is not, as I said, a General Jaruzelski clause that deprives everyone of all those rights. How in God's name can it sit there and do it? We know the answer over here. There is unrest in the public. For the first time in Ontario, people, including middle-income people, are losing homes and jobs; plants are shutting down and there is tremendous unrest. We all know that.

This government, rather than deal with the issue, had to do something. At least it had to try to convince the public it was doing something. Anything is better than nothing and it was not

doing anything until it brought in this bill because the polls of the federal government with its massive expenditure had convinced some people in Canada, including 54 per cent of people in trade union homes, that six and five was good. For this government, not having done a thing, anything is better than nothing. What has it done? It has constraint and restraint. What did it restrain?

Mr. Charlton: Health care services.

Mr. Martel: That is right. My colleague makes the point. It restrained health care services. It cut back benefits to people who needed them.

In the Minister of the Environment's (Mr. Norton) former ministry, when he was responsible he cut back services there. When the rate of inflation was going up at 10 and 12 per cent, he managed to give people on welfare and family benefits about eight or nine per cent. In the Workmen's Compensation Board, workers have not been given a raise in two years. The only thing restrained was their right to live with some dignity. It did not give anything there. The injured workers are out picketing today asking for an increase in their pensions because they have not had one since July 1981. What has been the rate of inflation since then? It has not given them anything.

Mr. Nixon: Are we going to vote on this before six?

Mr. Martel: I doubt it.

The Deputy Chairman: The honourable member is speaking on the fair prices commission.

Mr. Martel: I am speaking on the amendment on fair prices. I am outlining what the misnomer is so far on the Inflation Restraint Board—I call it the Jaruzelski board—because it does not do anything to restrain—

Mr. Nixon: The electrical workers voted for Jaruzelski.

Mr. Rotenberg: That's right.

Mr. T. P. Reid: And the Palestine Liberation Organization. Is that before or after Arafat?

Mr. Martel: Their interjections add a great deal. I can understand their embarrassment, because they know and I know it is not going to do a thing to restrain the rate of inflation in this province and they try to be flippant about it. That way they do not really have to deal with the problem seriously. They can just pass it through.

If we were going to expropriate in the private sector in the fashion we are doing with wages, for example, a chunk of Honeywell—I would

not mention Inco—and we said, "That is a good thing to take," my God, they would go wild. If I said we were going to expropriate some insurance companies, holus-bolus, my goodness, gracious me, those guys over there would go bananas. They would go absolutely bonkers. They take their pick if they are going to expropriate anything.

5:50 p.m.

One of my friends from the Liberal Party has introduced a private member's resolution that property rights be written into the Constitution because they do not want property expropriated. They do not want any land expropriated. That is what that resolution is about. Yet it is okay to expropriate workers' wages. You will put property rights in the Constitution to guarantee nobody can touch land, but worker's wages are okay to expropriate.

Hypocrisy abounds in this place. Property rights are okay, but for people on fixed incomes or small incomes, it is okay to cut them back to five per cent, even though they have a contract. Just cut it. Take a slice. It does not matter. They do not have it, so you are not really expropriating. Is that not what someone over on that side of the House said? "We are not really taking it away from them. They have not got it yet." But let us do what my friends over here say and build property rights into the Constitution. We will do it all. I find the whole thing distasteful.

I find the title, Inflation Restraint Board, because it does not deal with inflation, distasteful. We have proposed an alternative and my friends say, "We don't want that." We are saying that is just the definition which sets the stage for fair prices. How would we do it? We will move amendments when we get to that portion of the bill that will for the first time, we hope, take a serious look at what I have heard my friend the member for Huron-Middlesex (Mr. Riddell) say. He has said frequently that the farmers get ripped off. We agree with him.

I have listened to and read some of the material that came out last week at their convention, and one of the major complaints was that the chain stores were gouging. I think that is what they said. We are saying let us have a board that will look at it, because the report that came down a couple of years ago on the supermarkets was, to some of us, a whitewash. I am sure the member for Huron-Middlesex would say the same thing.

What we are saying is we are setting the stage now with this definition so that when we get to the portion of the bill that deals exclusively with

that aspect of price controls, we will be in a position to deal with them and we hope to have the Liberals with us. They have said: "No, we are not interested in that. We are not interested in getting serious about prices."

Perhaps that is because they have some financial friends in the same position as those across the way. I mentioned the article I had read recently in the newspaper about the banks giving roughly the same amount to both parties. One can understand why they do not want to look at it, because those of us over here have felt for a long time that interest rates were exorbitant and gouging.

We have moved this amendment to set the stage for future amendments which will look at prices seriously, because the government has not; it has not and it will not.

It will not deal with gas, or with hydro, or with rent, or with interest rates; it will not deal with the Ontario health insurance plan; and it wants us to believe that it is sincere. All it is doing is adding a little more money to the Treasurer's budget by holding back some wages. Perhaps he will keep his triple-A rating, I do not know.

The whole bill is redundant as far as I am concerned. It is oppressive and dictatorial. This particular section with an Inflation Restraint Board that deals merely with wages is a misnomer that should be struck from the bill.

If the Treasurer were sincere, he would give it an appropriate title. It is not the Inflation Restraint Board because it does not even attempt to deal with inflation. When my colleague said to him, "Tell us what the rate of inflation for this year is going to be," he said, "That is not the proper question to ask here."

If it is not, what is the board for then? I ask the Treasurer directly. Is it to curb inflation? If it is not, would he tell us; if it is, would he then tell us what the anticipated rate of inflation is for next year?

Perhaps the Treasurer would respond to the direct question I put to him.

Mr. Cassidy: Mr. Chairman, as I was waiting to speak here I was just thinking about the prices I had to pay in the local fruit and vegetable market on the weekend when I went to shop with my family. I was thinking about those prices, because I was wondering how the inflation restraint the government says it is bringing in with this particular amendment to this particular part of the bill will affect the prices I have to pay now and the prices I will have to pay over the life of this particular bill.

One of the reasons we want the amendment

we proposed here is that this party is prepared to support an effective scheme of price restraint in Ontario, of fair prices. We have talked about that for a long time.

Somehow, it seems, inflation restraint as proposed by the government may hit wages of workers who are having great difficulty in getting by, but does not appear to be intended to help people when they simply go to pay the prices being charged.

Right now, in my local market, it costs \$1.89 for two litres of two per cent milk. A litre is about 90 per cent of a quart of milk and that means if one puts it into terms of a quart of milk, my family is now paying more than \$1 for a quart of milk.

The bread we buy is over \$1 a loaf; one can get cotton bread, on special, for 59 cents if one is very lucky. Apple juice which used to be 39 cents is now \$1.09, \$1.19 or \$1.29. Cornflakes, which are a staple for families with young children, are \$1.44 or more.

My local market recently changed to metric. Perhaps this change to metric should have been restrained because of what it is doing to the prices. The Edam cheese that used to cost about \$1.50 a pound is now 77 cents for 100 grams, or one-tenth of a kilogram and that translates to \$3.30 a pound.

The Swiss cheese is \$1.04 for 100 grams or \$4.75 Canadian for a pound. Canadian cheese is 84 cents for 100 grams and that translates to about \$3.70 a pound. That is a very substantial increase just over the course of the last few months.

Hamburger is still available for the equivalent of \$1.95 a pound, but I would not be so overjoyed by that because during the 1970s I was accustomed to paying 49 cents a pound in the market in Ottawa for the hamburger I bought for my family.

One of the questions I have about this whole misnomer, the abuse of the language involved in calling the board created by this act the Inflation Restraint Board, is that they are not going to do anything about the price of milk.

They are not going to do anything about the price of bread. They are not going to do anything about the price of apple juice, or about the price of cornflakes or about the price of Edam cheese or the price of Swiss cheese, Cheddar or colby, or other kinds of Canadian cheeses. They will not do anything about the price of hamburger. Those things somehow do not enter into inflation.

As far as this government is concerned, it is

having a board that has a dissembling title. It is a misnomer. In fact, I would have thought this board might be subjected to federal legislation about misleading advertising since inflation and the price of food are not going to be covered at all.

Is it the time, Mr. Chairman?

The Deputy Chairman: In a moment, at the end of your paragraph.

Mr. Cassidy: I would choose this as an appropriate moment to call a halt in this debate, but I would hope to continue in the debate at 8 p.m.

The House recessed at 6 p.m.

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Ontario

LEGISLATIVE ASSEMBLY

No. 159

Legislature of Ontario Debates

Official Report (Hansard)



Second Session, Thirty-Second Parliament

Tuesday, November 30, 1982

Evening Sitting

Speaker: Honourable John M. Turner

Clerk: Roderick Lewis, QC

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LEGISLATURE OF ONTARIO

Tuesday, November 30, 1982

The House resumed at 8 p.m.

House in committee of the whole.

INFLATION RESTRAINT ACT (continued)

Resuming consideration of Bill 179, An Act respecting the Restraint of Compensation in the Public Sector of Ontario and the Monitoring of Inflationary Conditions in the Economy of the Province.

On section 1:

Mr. Chairman: It is my understanding that the member for Ottawa Centre (Mr. Cassidy) had the floor just before the dinner hour. At this time the chair is ready for any other contributors.

To refresh your memory, we are dealing with clause 1(a) and an amendment moved by the member for York South (Mr. Rae) that clause 1(a) be struck out and replaced by: "(a) 'Commission' means the Fair Prices Commission."

Mr. Swart: Mr. Chairman, I will endeavour to stick right to the amendment we have before us. I have to say, though, that I am rather surprised that none of the members on the opposite side of the House has risen to defend this section of the bill or, for that matter, the bill itself. It seems to me that if the bill were all the government says it is and if they had an Inflation Restraint Board they liked, the people on that side of the House would be anxious to rise and speak against this amendment.

But in view of the fact that they feel it is indefensible, then I am sure that when this amendment comes to a vote, those people will be voting with us. Obviously, if they are not prepared to defend what they have, they will support the alternative we have put before them.

I suppose clause 1(a) of this bill, which is the definition of the Inflation Restraint Board, sets the tone for the whole bill. It says what we are attempting to do. It says in its title the purpose of the board: it is an Inflation Restraint Board.

I want to say, particularly to those on the other side of the House, that we really do not want to be part of the deception this title implies, and this is the reason we want to change it. We know, and I suggest that the Conservative

members of this Legislature know too, that this bill is not an inflation restraint bill and that the board is not an Inflation Restraint Board.

What that board really is, as set out in the bill, is a board that is going to restrain the wages of the public sector, and to call it an Inflation Restraint Board is deceptive. That is one of the reasons we want to change the name from the Inflation Restraint Board.

We want to change the name to what we think should be in the bill, and what should be the purpose of the bill if we are really about to fight inflation; that is, a fair prices commission. That is the purpose of our amendment. It sets the tone.

Our whole intent in this bill is to strengthen its price restraint section. It is now nonexistent, and I am not sure whether we can strengthen something that is nonexistent, but at least if we cannot put flesh on the bones, we will put the bones in and then build the flesh around it.

If we have our way, we will establish a fair prices commission, which will have authority and which will be required by this bill to prevent unjustified and excessive price increases. All the other members of this House, regardless of which side of it they are on, will understand that it is necessary to tell them what we intend to do and why we intend to do it, so that they can determine the desirability of changing the name.

The whole purpose of this bill is to control inflation, according to the government and to speaker after speaker on the opposite side when the bill was introduced, from the Treasurer (Mr. F. S. Miller) to the Minister of Consumer and Commercial Relations (Mr. Elgie) and several others.

I have here the remarks the Minister of Consumer and Commercial Relations made when this bill was presented in the House. He spoke the next day on this very important bill, the Minister of Consumer and Commercial Affairs who is named in the bill to have the whole responsibility for it.

He spoke for nine minutes, and not once during his speech did he say what the price control section of the bill would do, what he felt could be accomplished under that or what he felt his duties would be as the minister charged

with the responsibility of protecting the consumer.

Let me read a few sections of what he said. He spoke about the need to control inflation, and I would like to put this on the record. This is from Hansard, dated September 23, 1982, at page 3671. He said:

"But as I see it, the key issue facing governments today in this country is inflation. From it flow high interest rates; from it flow mortgage failures; from it flow bankruptcies; from it flows currency instability."

He went on to say, at page 3672:

"Frankly, the downturn in economic activity and the interest rate problems are all focused therefore on this single public policy issue: inflation. I think there is general agreement that issue has to be faced and dealt with."

I am still quoting from what the Minister of Consumer and Commercial Relations said in this House with regard to this bill. He said:

"I do not profess to be the world's authority on public policy measures one can look at but, as I see it, there are three public policy measures one can look towards to deal with the problem of inflation, and two of those have been in the forefront in this country for the past several years.

"The first is a restrictive monetary policy, which we have seen with the limitation on the flow of money and with high interest rates. The second is a restrictive fiscal policy, with government restraints and higher taxation to reduce the public's ability to purchase products. I think it would be no surprise to any of the members, and certainly it is not to me, that although the application of these principles has been varied from province to province and different parts of the country, I see no evidence that as a macro-economic tool it is doing the job."

What he is saying, of course, is that high interest rates are not doing the job.

8:10 p.m.

"Therefore, as people who have to try and solve these public policy issues, we must look to the only third alternative we have, and that is an incomes policy, a policy which endeavours to have an incomes and prices control program to limit the upward income demands of people and the upward prices we are paying for products."

Finally, he says:

"That is the reason this bill is here today. It is to address the issue of inflation and the things that flow from it."

That is the end of the quote from the Minister of Consumer and Commercial Relations. There

is no question that for that minister and for the Treasurer the reason we have this bill before us is to fight inflation.

I think we should recognize exactly what inflation is. The conventional interpretation and definition of inflation, which I learned during the war years and since, is too much money chasing too few goods. That is the conventional definition of inflation. When there is too much money around and there are too few goods, it drives up the prices of the products and services, and we have what is called inflation.

Everyone in this House knows that is not the situation today, nor is that the interpretation of inflation today. There is no such thing as too much money chasing too few goods. We do not have enough money to buy the goods we can produce, whether those goods are cars, houses, television sets, clothing or whatever the case may be. We do not have enough money to buy them; that is the real problem in our society.

There is not too much money chasing too few goods. What we are really talking about when we talk about inflation is price escalation. That is what we mean. We mean the consumer price index. If we are talking about 12 per cent inflation last year, what we really mean is the price of goods and services went up by 12 per cent last year. I do not think there is any disagreement on that in this House. I think everyone here will agree with me. But it is important to remember that is what we are dealing with and what the government itself says we are dealing with: price escalation.

If we are talking about controlling inflation, we are really talking about controlling the price of goods and services. Even on the face of it, it must seem rather silly that when the objective is to control the price of goods and services, we say we are going to control, limit and reduce contracts—and tear them up if necessary—to reduce wages in the public sector. It seems a little silly even on the surface of it. If one goes into it in depth, it is even a little more foolish.

We say decisively that this bill does not restrain such prices. We want to amend it to accomplish that, and that is the reason we want to change the name. We want to say what it is, a fair prices commission. We want to make it a bill that is going to ensure there will be no unjustified price increases in our society, particularly at this time of economic difficulties for so many people.

The price section of this bill before us has three parts. It has the part that deals with

administered prices. It has proposals laid out as government policy, which are not even in the bill, to limit fees, licences and prices charged by the ministry. Then the third section is to monitor all other prices.

Mr. Chairman, as I look around I do not think we have a quorum in the House. I want to draw that to your attention.

Mr. Chairman ordered the bells to be rung.

8:19 p.m.

Mr. Chairman: A quorum is present. We will revert to Bill 179. The member for Welland-Thorold is speaking, I might remind him, to the amendment.

Mr. Swart: I think you will agree, Mr. Chairman, that I have been speaking strictly to the amendment in the comments that I have made. I do have to say, though, I am a bit puzzled that on a bill as important as this, to which members of the ministry have given priority all fall, they are not here to pay attention to what is going on and to defend their position.

When I hear the member for Windsor-Sandwich (Mr. Wrye) saying that this is a lot of nonsense, I have to say to him that he and the Liberal Party may think this is nonsense, but when there are 500,000 people in this province who are going to have their wages cut or have a limit put on their wages, it is not nonsense to us here in this party.

I was talking about the inadequacy of the provisions of this bill with regard to any control over prices which consumers have to pay for goods and services. I pointed out that section 3 of this bill, which deals with the matter of prices, is very restricted and deals with only a small area of price control.

The first area it deals with is that of administered prices, and it talks about the need to control those. I want to point out that the records show—

Mr. Cooke: Are you writing some more Tory motions, Bill?

Mr. Swart: The member for Windsor-Sandwich does not look particularly happy. I can understand if he is in the Liberal Party on this bill why he is not particularly happy.

The statistics show that the administered prices do need particular attention, and that attention is not given by the clauses in this bill. I think all of us were rather surprised this fall when a report came out, based on Statistics Canada figures, that showed in the year from June to June there had been a 17.7 per cent increase in administered prices in this nation for

services such as those provided by Bell Telephone, Consumers' Gas and Ontario Hydro. There had been a 17.7 per cent increase in one year, even though inflation generally had risen by approximately 11 per cent last year as measured by the consumer price index. Those administered prices had gone up by 17.7 per cent.

It is rather interesting that the Financial Times of Canada had an article on this dated August 16, 1982, from which I would like to quote. It states:

"Three months ago, when the six per cent solution was but a gleam in the federal government's eye, Supply and Services Minister Jean-Jacques Blais, also minister responsible for Statistics Canada, quietly distributed to his colleagues the document that sent shock waves through the cabinet, entitled simply 'Analytical Note: Regulated Prices.' A short but devastating piece of unpublished research by Statscan revealed that governments, through the prices they administer, are the main culprits keeping the rate of inflation high in Canada.

"After a great deal of debate, the cabinet's response, delivered as a core part of the June 28 'six per cent world' budget, was to vow to take aim at federally administered prices; things like telephone rates, postal rates and air fares.

"The paper that caused the politicians so much consternation has not been published. However, a copy obtained by the Times shows that the politicians had good reason to be shocked by what they saw.

"According to the document, prices regulated by governments ranging from urban bus fares to property taxes are galloping far ahead of unregulated or so-called market prices. Between April 1981 and April of this year, the study shows regulated prices leapt by 17.7 per cent compared to 9.1 per cent for unregulated prices. Over the same period, the consumer price index, which combines both elements by a complex weighting system, grew by 11.3 per cent.

"While consumer prices for such things as cars, clothes and furniture have been easing, the study shows that government-administered prices for such items as energy, telephone rates and public transportation"—and I point out that two of those three items come under this provincial government—"have accounted for much of the inflation impetus."

I could go on and read the whole article, but I will not take the time of this House to do that. It further amplifies those statements.

We have services and products controlled by governments, federal and provincial, that have been saying they want to do something about inflation and that federally instituted a six per cent and a five per cent wage freeze and provincially implemented a nine per cent and five per cent freeze. Yet those same governments that have control over very important services and products to supply to the people of this province and this nation have allowed them to increase by 17.7 per cent in one year.

Does that not show a great concern for the consumers by the government?

Mr. Jones: What time period does that deal with, Mel?

Mr. Swart: If my friend had been listening, he would have heard that between April 1981 and April 1982 there was a 17.7 per cent increase. What I want to point out is that this bill we have before us, Bill 179, will not make any change in that whatsoever; it will not make the slightest change in that. Under this bill, companies such as Consumers' Gas are automatically able to pass through all their additional costs. They are able to pass through the equivalent of wage increases of five per cent. They are able to pass through a profit increase the equivalent of five per cent and tack this on to the prices.

That sounds as though there are some limits to it. It sounds as though maybe there is going to be some control on it. But the facts are that if a minister finds out this is happening, the minister, according to this bill, may refer it to the Inflation Restraint Board, this board will then report back to him and he in turn will report to the Lieutenant Governor in Council or the cabinet. That is the procedure. The final decision on these price increases is going to be made by the cabinet.

I really do not object to that. In any parliamentary democracy, the government has the final responsibility. But if the people of this province are interested in having price controls in these areas, they will not be looking for that government to provide them.

I want to cite the example of what happened to natural gas prices last February. The Consumers' Gas—

Mr. Chairman: This ties in with the amendment, does it?

Mr. Swart: Yes, it does, Mr. Chairman. I understand, and I have to agree with you, that we have to keep to the amendment. But you will recognize that what I am trying to show here is that the present section 3, which deals with

prices, is not an effective form of price control. We want to replace it with an effective fair prices commission and because we do, we want to change the name at the beginning.

I am sure you will understand that if we are going to change the name to fair prices commission, it should be based on the substance of what we are going to do, which is to make a real fair prices commission. I am sure you will accept and understand that explanation.

8:30 p.m.

Mr. Chairman: Hurry up with your example.

Mr. Swart: Mr. Chairman, this is a very important issue that we have before us. I will deal with it as speedily as I can but there is a lot that needs to be said on this bill and on this issue of a fair prices commission.

To show what would happen under the present bill with the Inflation Restraint Board, I must draw the example of what happened last February with regard to Consumers' Gas pricing. There was an application by Consumers' Gas, a year ago last summer, to increase prices by about 35 per cent. A decision was made by the Ontario Energy Board last February which increased those prices by 32 per cent. Granted, there was a pass-through of wholesale prices of gas in that; I do not deny there was a substantial pass-through.

But, in that year, Consumers' Gas asked for a markup of about 65 per cent on the pass-through, although in previous years they got about 20 per cent. They asked for 65 per cent and were awarded a markup of 60 per cent on the pass-through of the wholesale prices. That meant an increase to consumers of 32 per cent in the amount they would be paying on their gas bills in February 1982 compared to what they paid in February 1981. I suggest that is pretty serious, particularly when we are talking about restraint.

We in this party officially appealed that decision to the cabinet, as provided under the Ontario Energy Act. We submitted a petition, in March, within the 28-day period allowed for making an appeal. April went by and May, June, July and August went by and the House was to be called back on September 21. But on September 16, the Lieutenant Governor in Council issued an order upholding the 32 per cent increase even though by that time it had been shown that it would give Consumers' Gas an increased profit of 35 per cent in their fiscal year ending October 1.

Mr. Chairman: Can you tie this in to the board?

Mr. Swart: I will tie this in to the bill, if you want me to. In this bill we have a clause to control administered prices which, in the first instance, does not set any limits on the total price which can be charged, and second, leaves the final decision up to the cabinet. We say that is not good enough. If you are sincere about fighting inflation and holding down the price level in our society then you have to deal with issues like that.

Mr. Cooke: They are not, though. All they care about is controlling wages.

Mr. Swart: Of course, it is not their intent to control prices, that is evident. Why would the government make that decision five days before the restraint bill was brought in? Because it would look bad if they had made it after the restraint bill was brought in. We know that. That is why it was done when it was done; to clear the air so that Consumers' Gas could get all of it and would not have to answer for it anywhere. It was handed to them on a platter.

That is why we want a fair prices commission in this bill. We intend to change that section so that it will be an effective mechanism for controlling prices. That is why we want the name change.

The parts on price control are combined in sections 26 and 27. Subsection 27(1) says, "The minister shall establish economic criteria by which price increases shall be reviewed." Of course, "price increase" means a proposed increase in an administered price. We know there are two sections to that administered price. The first is the one I have already talked about, and the second is a user fee charged by a public agency.

So all the government departments, according to this bill, will be controlled as to prices. The statement that the Treasurer issued in explanation of this bill when it was tabled in the House was that it is a plan for limiting those prices charged for licence fees, camping permits and those kinds of things; they will be limited to five per cent. Once again, they will be subject to review, of course. This is not a flat ceiling on them. They will be subject to review but they are also subject to exemption.

Of course, we know what has been exempted in this. First, Ontario health insurance plan payments, which last month went up 17.5 per cent. Those were excluded. Of course, those are a main payment. They are far more than all the

rest of the government charges put together, and they were exempted. So that section, too, is largely meaningless in this bill.

Surely if you are going to say, as was stated, that there is a five per cent limit on the various fees charged by government ministries, it should apply across the board. But it is very selective. Those that bring in a lot of revenue will be allowed to go up by 17.5 per cent; those, such as camping permits, that do not bring in a lot of revenue and do not cost people a great deal will be left at five per cent.

Unlike the wage section of this bill, which applies to the municipalities, the universities and all the workers and all of these public institutions, the fee limits do not apply. They apply only to those charged by this government itself. So this section of the bill is totally ineffective and all other prices have no control on them whatsoever, as you well know, Mr. Chairman. Section 33 of the bill states it clearly: "The board"—

Hon. Mr. Gregory: You are on section 1, right?

The Deputy Chairman: Is this respecting the commission?

Mr. R. F. Johnston: This has to do with definition.

Mr. Swart: Yes, I am dealing with the definition.

Mr. Cooke: If you have a point of order, raise it in the appropriate way.

The Deputy Chairman: I will allow the honourable member to continue.

Mr. Swart: I realize, Mr. Chairman, that you—

Hon. Mr. Gregory: What section are you on?

Mr. Cooke: If you have a point of order, stand up.

Hon. Mr. Gregory: What clause are you doing?

Mr. Cooke: Just listen and you might find out.

The Deputy Chairman: Order. The honourable member has the floor and is speaking to clause 1(a).

Hon. Mr. Gregory: On a point of order, Mr. Chairman: Since the member for Windsor-Riverside (Mr. Cooke) suggested that in order to get the point across I have to stand up on a point of order, I wish to point out that the honourable member is not talking about the appropriate clause, and I hope, Mr. Chairman, you will take some action on that.

The Deputy Chairman: I will allow the honourable member to make his point, and if I see he is deviating from the point that is under consideration, then I will ask him to defer it back.

Mr. Swart: Mr. Chairman, I realize that you have just taken over the chair and may not have had the opportunity to hear my explanation originally.

The Deputy Chairman: I do not think you have to repeat it, though.

Mr. Swart: We propose in this bill, first of all, to change the section dealing with prices so that it will be an effective mechanism for controlling the prices of goods and services in this province. Because we intend to do this as we go along, we think it is appropriate at this time that we should change the definition of the Inflation Restraint Board to a fair prices commission and—

The Deputy Chairman: This is the amendment before us under clause 1(a).

Mr. Swart: This is the amendment that is before you. So I think, and I am sure you will agree with me, that we need to persuade the members of this House that we really intend to make a fair prices commission. If we did not intend to do that later on, if we did not feel that the present section 3 dealing with the control of prices was inadequate and needed massive changes, then we would not be changing the definition.

First, we must prove the present section on prices does not give any effective control. Second, we intend to change it so it will. If we are to solve that, then we must change this definition.

But we have to deal with this first, so I suggest I am in order in dealing with the matter of the inadequacy of the legislation we have before us. I have dealt with the two sections and just very briefly I want to mention section 3.

8:40 p.m.

The Deputy Chairman: We really have to deal with clause 1(a).

Mr. McClellan: Mr. Chairman, on a point of order: It is the second time, sir, that you have started to interrupt my colleague on instructions from the government whip.

The Deputy Chairman: I am not listening to anyone other than my conscience, no.

Mr. McClellan: It is an intolerable practice.

The Deputy Chairman: No, no. Order please.

Mr. McClellan: I would like to—

Interjections.

The Deputy Chairman: I was trying to give you the floor so you would have a chance to make your point, whatever it may be.

Mr. McClellan: My point, sir, is that you, as Chairman of the committee, do not take instructions from the chief government whip. It is the second time since you have come into the chair—which has been within the past five minutes—that you have started to interrupt my colleague, who has the floor, after you have been given instructions by the government whip. This is not an acceptable practice. I simply point this out to you, sir.

The Deputy Chairman: Very good. The chair is making every effort to allow every honourable member to speak to this bill as long as it is to clause 1(a) and to the amendment on the floor. The member for Welland-Thorold has the floor and he is speaking to that I am sure.

Mr. Swart: I am sure I am too, Mr. Chairman, so we're on the same wavelength.

I had been making the case that the bill as it stands, even dealing with administered prices is not effective in controlling those prices. In addition to that, it only deals with administered prices, a very limited number of services and products that are sold to consumers and are administered now by the government of this province.

Even if it did something on administered prices, it would do less in this province than most other provinces because we have in this province fewer administered prices. In many provinces, if you had an effective control of administered prices, that would cover quite a wide range of goods and services. But this province has never protected consumers against excessive pricing.

There are numbers of them. Auto insurance is a classic example. In Saskatchewan, Manitoba and British Columbia, and to a degree in Quebec and Alberta, provincial governments have controlled the prices of automobile insurance to the benefit of consumers, one way or another.

In this province we have no control whatsoever. It is not an administered price, therefore it is not dealt with in this inadequate legislation. We want to put in a fair prices commission that would deal with such things as auto insurance, particularly this year when auto insurance rates are increasing so dramatically.

You must know, Mr. Chairman, if you drive

an automobile yourself—I suppose you have a chauffeured one, perhaps—

Mr. Breugh: It is a tricycle.

Mr. Swart: It is a tricycle, is it? Whatever it is, Mr. Chairman, I am sure you are aware from being in this House, if nothing else, that they predicted this year that automobile insurance rates would increase in the neighbourhood of 20 per cent to 26 per cent.

I am sure you have constituents coming to you, as the members over there must have, bringing their bills and saying, “My gosh, look at the increase I got in my automobile insurance rates.” You have to say to them, as I have to say to them: “That is tough. I guess all you can do is shop around.” The different insurance companies decided this year that because of underwriting losses, not net losses, they are going to substantially increase the insurance rates.

One has to say this government has no control over that. If we had effective legislation to control and administer prices and we had many of these costs under some form of government control and administered prices at the present time, this bill would be somewhat more acceptable.

This is rather interesting. I am glad to see the Minister of Consumer and Commercial Relations in the House at this time. I had raised this issue with him before. He had stated in the House that we in Ontario have the lowest insurance rates in Canada. He stated that two or three times. However, the other day in the estimates committee on the Ministry of Consumer and Commercial Relations, he turned to the superintendent of insurance and said, to answer my question, “Please read out the rates for Mr. Swart in other provinces.” So he read them out.

I am sure the minister wished he had never asked him to do so because they showed that, far from Ontario being the lowest, it had either the highest or second highest rates in Canada. In places like Saskatchewan, Manitoba and British Columbia, where they have public auto insurance plans, the rates were substantially lower than here.

Even in that Tory bastion of Alberta, they do something about controlling insurance rates. They have an insurance rating board, Alberta Automobile Insurance Board, out there. Every insurance company must get permission from that board to raise its insurance rates. I talked to the director of that auto insurance rating bureau last month. He tells me they operate that bureau with two and a half people. He tells me it saves

the motorists of that province tens of millions of dollars.

Yet here in this province I have tabled private member's bill after private member's bill for an auto insurance rating board. We know the ultimate answer, of course. It is public auto insurance like the New Democratic Party introduced in Manitoba, Saskatchewan and British Columbia. The subsequent governments, whether they have been Liberal, Tory or Social Credit have kept that auto insurance because they know the people would not stand for knocking it out. But we cannot even get the government here to vote to put in an auto insurance rating board.

If this bill goes though in its present form, it will not enact one tittle of control over insurance rates in this province, not one bit of control.

The Acting Chairman (Mr. Hodgson): I remind the member for Welland-Thorold he is speaking to the amendment of the member for York South. Is that what he is supposed to be speaking on? He should get back to the amendment.

Mr. Swart: I am speaking of a fair prices commission. Mr. Chairman, perhaps you should read the amendment.

The Acting Chairman: I have it in front of me. I can read.

Mr. Charlton: On a point of order, Mr. Chairman: This is the third time the member for Welland-Thorold has been interrupted during the course of his remarks. He is speaking on an amendment which was moved by the member for York South. It is not up to the chair or to the chief whip of the government party to determine what the rationale of the member for York South or this party was in moving that amendment.

The Acting Chairman: That is not a point of order. You are out of order. The member for Welland-Thorold.

8:50 p.m.

Mr. Swart: Mr. Chairman, I submit to you, and think you would agree, that I am speaking to the need for a fair prices commission. Our amendment that members have before them changes the Inflation Restraint Board to a fair prices commission. Surely I am in order if I am using arguments to promote a fair prices commission. That is exactly what I am doing.

Interjection.

Mr. Swart: I think if the member had been in the House he would have heard the intervening

remarks. I had just shown that the bill we have before us, under administered prices, would do nothing to control auto insurance rates. This is a serious matter. It is difficult to overemphasize the situation we find ourselves in, where we have a government that simply refuses to do anything about prices. This bill is not going to do it.

The Deputy Chairman: Will the honourable member tie this in to the way in which it affects the fair prices commission?

Mr. Swart: Yes. We would include in our fair prices commission control of auto insurance rates. The amendment members have before them is to change the Inflation Restraint Board to the fair prices commission. So members can see the direct connection.

Mr. Cooke: I wonder why we have to repeat these points time and time again.

The Deputy Chairman: The problem I have is that what you are talking about is after this bill is passed as it is, but in fact you are talking about a commission.

Interjections.

Mr. Swart: Another area that would be controlled under our amendment would be milk prices. The other provinces throughout Canada, with only one other exception, have control over the price of milk to consumers. The government of this province controls the price the farmer gets and he has to justify every penny increase he gets. From there on, the dairies and those who retail it can charge what they see fit. This is an area where, if we are going to have a fair prices commission—in fact, if there is going to be any control on prices—surely we should be doing what the other provinces in Canada are doing. I have here the figures on the difference between milk prices in Quebec, for instance, and in this province.

Mr. Haggerty: What about the farm price of milk?

Mr. Swart: The member for Erie keeps saying something about the price of milk to the farmers. It is already set by the government, and we are not dealing with that. What we are talking about is the spread between what they get and what the consumer pays.

The Deputy Chairman: Will the honourable member tie that in to the amendment?

Mr. Swart: Yes, I will. If you want me to keep going back to that, I am glad to keep explaining it.

The Deputy Chairman: The difficulty is how this relates to the precise amendment before the House.

Mr. R. F. Johnston: How many sentences do we have to do that in? Do we have to do that every three sentences?

The Deputy Chairman: The member for Welland-Thorold is proceeding. I recognize the member for Ottawa Centre.

Mr. Cassidy: On a point of order, Mr. Chairman: If there is a precedent around this House, it is the degree to which the Speaker allows the Premier (Mr. Davis) to digress during question period. I would suggest it is a biased point of view for you to be constantly—

The Deputy Chairman: I do not accept that as a point of order. The member for Welland-Thorold has the floor.

Interjections.

The Deputy Chairman: The member for Welland-Thorold has the floor. That is not a point of order. The member for Scarborough West.

Mr. R. F. Johnston: On a point of order, if I may: I would like some instruction from you, Mr. Chairperson. When a point is made by a member in an argument related to an amendment, how many times and in how many sentences do you want him to mention the amendment if he is following a natural progression of thought from his initial point of view? Instead of heckling him from the chair, you should allow him to make his point. He has not strayed from what his argument is one iota except for the badgering from over there and from yourself. This is outrageous.

The Deputy Chairman: I sincerely thank the member for Scarborough West for asking that question and if I may respond before the member for Sudbury East rises—

Mr. R. F. Johnston: Every two sentences?

The Deputy Chairman: No, I think what we want to make sure happens is that we move through the bill clause by clause and that in dealing with each clause we deal with the specifics that pertain to and are germane to that clause. I am anxious that each member have that opportunity. As long as an honourable member is able to restrain himself so it is within that context, the chair is most anxious to make sure he has the floor. I was worried that the member was moving to other sections of the bill as it related to regulations and other aspects of it.

Mr. Martel: Mr. Chairman, I have been in the House now for about 18 minutes. When I came in, the member for Welland-Thorold was trying to explain to someone who occupied the chair before you, some 18 or 19 minutes ago, and he satisfied that chairman that he was right on. Six or seven minutes later another chairman took the chair, the member for York North (Mr. Hodgson). He was not long seated, and he was not even seated comfortably, when he interrupted my colleague.

The member for Welland-Thorold indicated that what he was talking about was the amendment we moved with respect to the bill, moving away from the name Inflation Restraint Board, and why we were moving it. Now you occupy the chair. In a short period of 18 or 20 minutes, we have had three different people occupy the chair and each of them in turn has—

Hon. Mr. Gregory: You are getting the message.

Mr. Martel: You might have sent your instructions in, but if you had shut up you would have heard—

Mr. R. F. Johnston: We are not going to be bullied. You better get the message too, Bud. You are not going to force us to shut up.

Interjections.

The Deputy Chairman: Order, order. I am recognizing the member for Sudbury East and all I can suggest to the member—

Mr. Martel: Right. I wish you would advise the government whip that I have the floor.

The Deputy Chairman: You have made your point of order and I would like to recognize the member for Welland-Thorold.

Mr. Martel: Mr. Chairman, you are the third person to occupy the chair in the last 20 minutes, and you are the third person to interject on what my colleague is attempting to say. There are other people darting around here. The member for Erie (Mr. Haggerty) makes all kinds of comments. I think it is time the chairman sat there, having been the third one in a row to intervene. I suggest, with the greatest of respect, that the member has been right on topic, and to have three chairmen in 20 minutes interfere in his presentation is a little difficult to accept.

The Deputy Chairman: I thank the member for Sudbury East. I can only say that my only job as chairman of the committee is to make sure we proceed under the rules of the House and that when speakers are participating in this debate

they address the motion before the House. If I am able to recognize—

Mr. Martel: Three of them in a row.

The Deputy Chairman: Please, I am responding. I would like to have honourable members go forward in this debate as it pertains to the bill.

To refresh the House, and we can then go back to the member for Welland-Thorold, there is an amendment before the House under Bill 179 moving that clause 1(a) of the bill be struck out and the following substituted therefor: “‘Commission’ means the fair prices commission.” I only ask that under Bill 179 that be the subject of the debate. I would like to call on the member for Welland-Thorold to continue his presentation, germane to that subject.

Mr. Martel: Mr. Chairman, maybe you could advise me then, in view of the fact that my colleague was talking about 1(a) originally when you took the chair. He was talking about the price of one commodity, insurance, and he then moved on to the price of milk and indicated that farmers had to justify it, and that we were attempting to have a fair prices review board that would really look at what was transpiring in that field.

9 p.m.

With the greatest of respect, Mr. Chairman, I do not know where he had digressed from dealing with a fair prices review board that would look into the price of milk as it pertained to what the farmers received and what the consumer paid. I do not know where he digressed. Maybe you could tell me.

The Deputy Chairman: Maybe that is where I need help from the member who has the floor when he is making his presentation so that I can see that it ties in tightly to the subject under consideration. I certainly am most anxious that we go through the entire bill in the time of the House but I was having difficulty relating the member's presentation to clause 1(a) and the amendment before the House.

I recognize the member for Welland-Thorold. I certainly want to give him every opportunity to complete his presentation on that subject.

Mr. Breagh: If I might get one clarification from you, Mr. Chairman. It is my understanding now that you have ruled—

Interjections.

Mr. Breagh: I will wait for a moment until the instructions are called in.

You have ruled, Mr. Chairman, and I would

like this to be a ruling of the chair which sticks for more than five minutes.

We have proceeded with this debate since early this afternoon. Members have been allowed consistently to put arguments for a fair prices commission. It seems to me that members require a bit of latitude to do that but, the chair having accepted that it is in order for members from all sides to argue either for the government's position or for the amendment which we have put this afternoon, that is the end of whether it is in order to argue the merits of the amendment before us.

It is very difficult for the member for Welland-Thorold to give a speech when he is persistently interrupted by the chair on the basis that the chair is not sure whether this debate is in order. I would like you to make a ruling that we can all adhere to, Mr. Chairman, and that subsequent visitors to the chair can adhere to as well, which will allow the debate to proceed. Then that is game over.

The Deputy Chairman: I thank the member. I guess what he is asking me to do is what I am doing. If I am able to see the debate proceed according to the rules I am anxious to do so. That is all I am asking the member for Welland-Thorold to do.

Mr. Breaugh: That is fine.

The Deputy Chairman: I would like to proceed with the debate. We are in committee, and with regard to the points that have been made by the member for Oshawa, and two others, I am trying to make sure the debate proceeds.

Mr. Breaugh: That is fair enough, Mr. Chairman. I want to make this one, final, small point.

Once we have decided as a Legislature that we can debate an amendment which is before the House the debate should proceed. The chair, in my view, should not be interrupting just because the chair cannot follow the debate.

I know it is difficult when there is constant movement—

The Deputy Chairman: The chair has to follow the debate and the chair has to know how it fits into the bill before the House.

Mr. Breaugh: Then I would put it to you, Mr. Chairman, if the chair has an obligation to follow the debate, there must be a consistent chairman through the course of at least that speaker. You cannot have three chairmen in 18 minutes and then ask the members to satisfy each person occupying the chair that their debates are in order. We are looking for a bit of consistency. It struck me that we have it but the

problem is a mechanical one of three different people occupying the chair.

The Deputy Chairman: The real thread is we have one motion before the House and we are speaking to that. I would ask the member to take his seat and allow the member for Welland-Thorold to continue.

Mr. Swart: Thank you, Mr. Chairman. Perhaps I can just tie it in again before I go on.

I have been speaking about an amendment which provides for the substitution of a fair prices commission for the Inflation Restraint Board.

I have endeavoured to point out that the Inflation Restraint Board as set up in this bill will not control prices. I have endeavoured to show areas where it is not controlling and cannot control administered prices, and that it deals not at all with prices that are administered. I have been pointing out that in other provinces there are prices which are administered but which are not administered here. If we have a fair prices commission then it will include those prices.

Perhaps with that explanation I can go on and talk a bit further about the issue of milk which is an administered price in most provinces of this nation but not in Ontario. Since it is not an administered price here, the people in Ontario are paying more than they should for the milk which they buy in the supermarkets or wherever.

I was just going to point out the difference between the administered price of milk in Quebec and the nonadministered price of milk in Ontario. The figures I have were obtained just before the price of milk went up, which I think was about the middle of October.

In Montreal, a litre of milk sold for 77 cents; in Toronto, a litre of milk sold for 88 cents. In Montreal, two litres of homogenized milk sold for \$1.52; here, they sold for \$1.72.

They do not have three-quart containers so I cannot give a comparison of those prices; but in Montreal one litre of two per cent milk sold for 73 cents, and in Toronto it sold for 87 cents. Two litres of two per cent milk: in Montreal \$1.45, and here \$1.70.

Today's prices, because there have been increases in Quebec and increases here in the same amount, are about seven or eight cents higher. The differential still remains and it is significant that the dairies in Quebec—let me put it another way: the price set by the milk board in Quebec is exactly the same price to the farmers as is set by the Ontario Milk Marketing Board. The farmers there get just as much and

yet there is this substantial difference because it is not an administered price.

I would think there would be real concern on the part of the government, not only about the differential in the retail price but about what has been happening with the farmers' share of the price of milk in this province in recent years. It is appalling. No other word can be used other than to say it is appalling.

I have a letter here in reply to mine. It is signed by Mr. Peter Gould, the economist of the Ontario Milk Marketing Board, and is dated October 25. He has provided me with a table which shows what has happened to the share that the farmer has been getting in this province. Listen closely. This ought to concern you. A government which professes—not does but professes—to represent the farmers should be concerned about this.

Let me just read this table which shows producer revenue as a proportion of retail price for Ontario. It is based on a three-quart container, retail price, in Toronto, mid-July of each year. In 1976, the farmer got 71.1 per cent; in 1977, 68 per cent; in 1978, 68.2 per cent; in 1979, 66 per cent; in 1980, 64.3 per cent; in 1981, 61.8 per cent; and in July of this year the farmer was getting 60.3 per cent.

Five years ago they were getting 71.1 per cent and are now down to 60.3 per cent. If you put that another way it is even more startling, because it means the dairies and the distributors formerly were getting 28.9 per cent of the selling price of the milk and now they are getting 39.7 per cent. They have had a 50 per cent increase in their share. That has nothing to do with the increase in price, they have had a 50 per cent increase in their share.

That has not happened in other provinces. Are members aware of that? Maybe I should send you a copy of this report.

Mr. Jones: I don't follow your whole debate. You know why food prices are exempt.

Mr. Swart: Maybe we need a fair prices commission. We need a regulatory body to look into this and determine why this is happening. Do you think that maybe this is reasonable?

It is reasonable to have this fair prices commission as we have proposed in this amendment, especially when you realize the farmer as a result of the last increase, after he justified it to the Ontario Milk Marketing Board, was awarded 2.69 cents. Are you aware of that, Mr. Chairman?

When it left the dairy, that had been jacked to seven cents. In the supermarket, generally speaking, it is eight cents. Do you think that is fair to

the farmer? Or fair to the consumer? Or do we need a fair prices commission?

9:10 p.m.

Mr. Jones: I do not understand the member's whole debate. He is talking about food prices that are not controlled and then he is telling us, because of the prices the market and the farmers gave, why they should not be controlled.

Mr. Swart: Perhaps I should send to the member for Mississauga North, who has no knowledge of farming, this document so he could read it at his leisure. I will be glad to do that.

If he cannot understand that there is something wrong with a system that in 1976 gave the farmers 71 per cent as a selling price and that is now down to 60 per cent, if he cannot understand that there is something wrong when the farmer gets 2.69 cents increase in the price of milk and it ends up as an eight-cent increase to the consumers, then I suggest he does not want to understand.

We need a fair prices commission. We need to look at this, as eight of the other nine provinces do.

Interjections.

The Deputy Chairman: Order. The honourable member is speaking to the bill and I want to allow him to have that opportunity. These interruptions from all sides are intolerable.

I would remind the honourable member for Welland-Thorold—while this interruption is taking place—this bill does not affect the farmers all that much. It has more effect on the public sector in Ontario and the inflationary conditions of the economy of the province.

Mr. Swart: I have been putting forth an argument for a fair prices commission. There is nothing wrong with pointing out the gap between what the farmer has been getting and what the consumer is paying because we do not have any control over it.

Those two commodities or services alone show the need for a fair prices commission—something much broader and more effective than what we have in this bill before us. That is the reason we are moving this amendment, which I am discussing. I am speaking to the issue.

I have pointed out that it does not effectively control administered prices. I have pointed out that the administered prices in this province are very limited compared to what they are in the rest of Canada. It leaves that whole other area in a vacuum, where they are only going to monitor

the prices. They do not make any pretence, as they do in administered prices, not even a pretence of trying to control those at all.

There is need to control those. Under a fair prices commission, under the New Democratic Party amendment you have before you, we would institute prices control—ad hoc prices granted, but price control over other products in our society.

I want to give a couple of examples of the need for control on some other products. One example I want to give is salt. I just happen to have brought some salt with me.

Hon. Miss Stephenson: He has been shopping in Buffalo again.

Mr. Swart: No, as a matter of fact, this was bought in—

The Deputy Chairman: I beseech the honourable member, within the wide guidelines the chair wants to allow you and with all the efforts of your fellow members who are anxious that I maintain total freedom for you to maintain all the obvious avenues to discuss the amendment, I want you to be able at least to retain the posture of speaking to the fair prices commission.

Mr. Swart: Let me assure you, Mr. Chairman, that I am tying it right in, and even if you were to let me deviate from the amendment I would not do so.

I want to point out the need for a fair prices commission to control commodities other than administered prices, and if I may, I want to use salt as an example.

I have here a two-kilogram package of salt. Would you believe that this salt sold for 87 cents in January 1981? When you go into the supermarket to buy it now, it costs \$1.41. From 87 cents to \$1.41 in 22 months. That is why we need a fair prices commission to look into this.

Interjections.

Mr. Swart: That is two kilograms. Just to keep the Minister of Education (Miss Stephenson) happy, I want to show the comparison of the prices in the United States. Here we have five pounds. The Minister of Education may know that is about five per cent more than two kilograms. In the United States, this sells for 85 cents: 85 cents compared to \$1.41.

Mr. Chairman, there is a reason for this. Here the government philosophy is that we do not need to have any controls on prices: competition takes care of it, that is the government's philosophy. It is blind. It does not want to have any anticommon legislation or anything of that nature, just private enterprise. It does not

matter whether there is competition or not. In fact, the former Minister of Consumer and Commercial Relations said he did not believe in competition, that it was not important.

The reason this is selling for \$1.41 today is that there is no competition in salt here in this province. There are three companies that produce salt. One of those companies produces only road salt, so there are only two companies that produce table salt. There is Domtar, which is Sifto, and the Canadian Salt Co., which produces the Windsor brand and some others. One can obtain the profits of only one of those: the Canadian Salt Co. They went up between 1980 and 1981 from \$8.2 million to \$9.9 million, a 20 per cent increase in their profits, and if you look at their earnings this year you find that this escalation is still going on. They are not being hurt at all by the state of the economy at the present time because they do not have to compete in it, there are only two companies.

Mr. Philip: There is no salt being rubbed into their wounds.

Mr. Swart: As the member for Etobicoke says, there is no salt being rubbed into their wounds. It is impossible: they do not have any wounds.

Mr. Philip: Not by this government.

Mr. Swart: No; they are doing okay, they are in a really healthy condition.

Surely if what I say is correct, and it is, we need a fair prices commission to look into the price of something like salt, and that is what the New Democratic Party proposes.

If we are really interested in controlling inflation, which is controlling prices, then maybe we should control prices. We should look at them, and where they are excessive we should order them to be held or to be rolled back. That is what the fair prices commission is all about and it is the reason we have this amendment before the House.

I want to give only one other example. I could give a dozen; in fact, I have done so in this House over a number of years. But I want to mention the same sort of thing that is taking place with regard to cereals, and this has a relationship to the farmers of this province as well.

For instance, a package of Cheerios, from January 1979 to now, has gone up from 86 cents to \$1.63. That is a 95 per cent increase in the price of Cheerios. The same package that sells

in Canada for \$1.63, sells in the United States for \$1.09.

9:20 p.m.

This is important. It is all right for those over on the other side to laugh and jest. For the person who is making \$4, \$5, or \$6 per hour, these increases in price have some meaning to them. I know that, generally speaking, because of the salaries of those people over there and the environment in which they were raised, they do not understand it, but I hope they will listen to the people who are familiar with and perhaps even have been raised in hard times where there was not much money in the home.

Do members know that the 525 gram size of Kellogg's Corn Flakes has gone up, since January 1979, from 95 cents to \$1.67? That is a 75 per cent increase in the price of that product. Once again, it is 42 per cent higher in Canada than it is in the United States.

The reason is fairly simple. In the United States there is more competition. I am going to be referring to that in just a few moments, but there is more competition in the United States. That keeps the prices down. Competition does not exist here to the same degree and so—before you put that hammer down—we need a fair prices commission to deal with these matters.

I am the first one to admit in this House, and I recognize it, that many industries in our society today are hurting. There is no question about it. Their profits are way down in comparison to what they were before. Many of them are barely surviving. I am quite prepared to admit that. But if I am prepared to admit that, then those members on the other side should be prepared to admit that where competition no longer exists there are some companies which are ripping off the consumers. Within this party, in these times, we say that must not be permitted. A government that cares at all about inflation will intervene and see that does not take place.

In case you think these companies are hurting, I would just like to put on the record some figures from the 1982 annual report of the Quaker Oats Co. of Canada Ltd. This does not sound like a company that is suffering from excessive competition at the present time.

The Quaker Oats Co. of Canada Ltd. achieved record sales and earnings in fiscal 1982. The year runs to the end of June. Net sales rose 15.1 per cent to \$184.2 million, and net income, before extraordinary items, improved by 21.3 per cent to \$5.9 million. This followed a year of exceptional progress in fiscal 1981.

During the past five years, net sales and net

income, before extraordinary items, have grown at a compounded average annual rate of 11 per cent for sales and 14.5 per cent for net income, year by year. That is what the increase has been for the Quaker Oats Co. That ought to indicate that their prices are too high and we need a fair prices commission to intervene.

If we think that is an exceptional company then let me read the chairman's report from General Mills Canada Ltd.

"Despite the widespread economic problems that characterized the past 12 months, I am pleased to report the General Mills family of companies experienced another successful year. Consolidated sales revenue in fiscal 1982 rose 5.2 per cent to \$202.5 million compared with \$192.6 million in fiscal 1981. Net earnings before an extraordinary loss item were \$9.5 million, an all-time record and 27.6 per cent greater than those of the previous fiscal year."

Mr. Wildman: That is only on a five per cent increase in sales.

Mr. Swart: These are the companies making our cereals. Should we ignore this in a time of so called restraint? When the government over there is crying the blues and wringing its hands and saying, "We must impose restraint; we are going to see that the civil servants only get a five per cent increase," should we ignore this? I think any degree of fairness would dictate that we should have a fair prices commission to investigate this sort of thing and to bring those prices down.

If I need to say any more, I would just point out that in the United States, before Mr. Reagan stopped the investigation—

Mr. Cooke: Who is carrying the bill?

Mr. Swart: Yes, incidentally, who is carrying the bill? Do we have anyone here from the government, the minister or the parliamentary assistant? Is anybody carrying the bill?

Mr. Cooke: Mr. Chairman, on a point of order: I do not think we can proceed.

The Deputy Chairman: There is nothing out of order. The member for Welland-Thorold has the floor. That is the only thing that is in order.

Mr. Cooke: Mr. Chairman, we cannot proceed with Bill 179 when there is no one here carrying the bill.

The Deputy Chairman: There is no rule saying there has to be any particular person here on the opposite side.

Mr. Cooke: We have questions to put to

whoever is carrying the bill and there is no one here carrying the bill.

The Deputy Chairman: There is nothing out of order. I thank the member for raising that point, but it does not mean anything as far as points of order are concerned.

Mr. R. F. Johnston: Here he comes, he has returned.

Mr. Jones: It is nice to be missed.

The Deputy Chairman: The member for Welland-Thorold on the amendment.

Mr. Swart: Yes, Mr. Chairman, on the amendment, which is for a fair prices commission. I have been talking about the need for a fair prices commission to deal with salt prices and cereal prices.

I want to make one or two further comments about these cereal prices in case I have not convinced the government that we need a fair prices commission to investigate the prices I have pointed out to you and to roll them back if they find they are unjustified. I think they are unjustified and I have one more argument to prove they are unjustified.

I have here a copy of the Washington Post, dated October 1, 1980, in which the Federal Trade Commission in the United States is quoted as stating that a monopoly of major producers of ready-to-eat cereals cost the nation's consumers "more than \$1.2 billion in higher grocery store prices between 1958 and 1972, overcharges that added 15 per cent to every dollar spent for the cereal products, the staff of the Federal Trade Commission charged yesterday."

I could quote further from that and name the companies involved. Two of them are the very companies I have mentioned here. Mr. Reagan stopped that investigation as one might have expected Mr. Reagan to do, just as one might expect that this government will never start such an investigation and would oppose our federal government if it did so, because that has been the pattern to date.

If that kind of investigation was needed in the United States, I would just point out how much more it is needed here where prices are 50 per cent higher and where there is less competition among the cereal producers than there is in the United States. Further, there are not so many of them here. We do not have restrictive trade practices legislation as they have in the United States to ensure a greater degree of competition.

I suggest, Mr. Chairman, that there is need to

have a fair prices commission to deal with these kinds of products.

I would like to go a little further and mention somebody who I think is giving his support to this kind of thing. I was at the Ontario Federation of Agriculture convention last week. I listened to the speech of its president, Ralph Barrie. I want to quote part of his speech, because it deals with this problem of excessive markups that a fair prices commission would deal with, if we had one and if we had a New Democratic Party government in this province.

9:30 p.m.

Mr. Charlton: On a point of order, Mr. Chairman: Could you determine whether we have a quorum?

The Deputy Chairman: We do have a quorum.

Mr. Jones: Quit your silly little delaying tactics. Let's get on with the member for Welland-Thorold's debate. It's good stuff. It's not factual, but—

Mr. Swart: Mr. Chairman, I understand the frustration of the people on the other side of the House—

Mr. Jones: Yield the floor and I'll answer some of your questions.

Mr. Swart: —which has resulted in them bringing up points of order tonight and suggesting to you that I was not speaking appropriately to this. I understand that frustration. This bill has been going on now for more than two months.

Mr. Jones: No frustration.

Mr. Swart: But I hope they understand that we on this side of the House are concerned about a bill that is going to tear up contracts and cut civil servants' wages and is going to do nothing about prices when people are hurting in this province.

Interjection.

The Deputy Chairman: Order. I ask the honourable member not to listen to these distractions but to continue on clause 1(a), the amendment before the House.

Mr. Swart: I think that is good admonition, Mr. Chairman. I surely do not get much out of those interjections anyway.

I want to point out some more supportive evidence for the need to be looking into the markups. This time I want to read a very small part of Mr. Ralph Barrie's speech at the OFA convention last week. Incidentally, the member for Huron-Middlesex (Mr. Riddell) quoted briefly from this last night in his discussion of the Ministry of Agriculture and Food estimates.

Mr. Barrie stated that OFA members are getting too little of the selling price of a variety of commodities. He said:

"We can and must change that. We have to devise new techniques of educating consumers and politicians about why we are fighting for a larger share. We have got to keep telling them about how little of that dollar we actually pocket. Take an item like a 48-ounce can of apple juice. You pay about \$1.29 for it in the store. Can anyone guess what the farmer's share of that was? It was a whopping 17 cents out of \$1.29. In 1981, the last year we could get figures for it, the can cost more. The can cost 26 cents.

"Let us look at a basic food item that does not require fancy packaging and three-coloured labels—dried white beans. A pound of them costs \$1.15 retail; the farmer's share was 37 cents, less than one third." Surely we need a fair prices commission to look into something like that.

Mr. Barrie went on to say: "In 1979, you paid 61 cents for a pound of beans at a store and the farmer got 26 cents. There is something there that is not quite right." That, of course, is what we are saying here.

"Let us look at a commodity that is under supply management, the system that is supposed to ensure a fair return to the producer. A pound of fresh chicken was \$1.38 in stores last month. The price to the farmer on an eviscerated basis was 66 cents. That is somewhat better than the other prices we have looked at, but not overwhelmingly so. Again, it is interesting to note that in 1979 the retail price of chicken was 98 cents and the farmer's share was 54 cents. The gap between the farm-gate price of food and the retail price keeps getting wider and wider."

Is that not just what I was saying a few moments ago about the price of milk? We have a government that refuses to investigate that and is even indifferent to changing a bill so we would have control over prices through the fair prices commission.

Let us look at one more example before we go on: "A can of tomatoes cost 94 cents in the store last month; that is for 28 ounces. The farmer's share was 16 cents. Three years ago the farmer's share was three cents less than it is today, but the retail price was 29 cents less.

"We cannot keep information like that to ourselves. We have got to let the consumers know about these things. We have got to educate them a bit about our business. We can

explain how it is costing us more and more to farm these days."

I will not read any more of his speech, but I want to point out that was a major part of it: the low share the farmer is getting, the markup between the farm gate and what the consumer pays. That is the main thrust of our fair prices commission in the bill. It does not have to be done on all of them, but where there is reason to believe the retail price being charged is excessive and the markup is too great, surely there should be an authority in this province that can look into that and order those prices held or rolled back.

Mr. Wildman: They would only do that if they really wanted to control inflation.

Mr. Swart: As my colleague says, one only does that if one really wants to control inflation. Instead of doing that, the government controls the wages of the public servants; somehow or other that is going to bring prices down. The minister says he wants to control inflation, which is controlling prices, but he controls wages.

Mr. Jones: That's input.

Mr. Swart: Sure, wages are one of the inputs to prices, we know all that; but they are not in any sense the total input and in many instances not the major one.

Mr. Jones: Seventeen per cent.

Mr. Cooke: You are totally wrong, Terry.

Mr. Lane: See today's Mail; see what it says.

Mr. McClellan: You have been listening to Ronnie too much.

An hon. member: Ronnie McNeil?

Mr. McClellan: Ronnie Reagan.

Mr. Cooke: This is the man who brought Reagan to Ontario.

Mr. McClellan: You can't listen to Ronnie McNeil. Ronnie McNeil never speaks.

Mr. Jones: He just doesn't talk to you.

The Deputy chairman: Order. Is the member finished or is there anything further?

Mr. Swart: I am not finished, Mr. Chairman. [Applause]

Mr. Swart: The way they applauded, I guess they thought I was finished.

Some hon. members: More, more.

Mr. Jones: Don't get carried away. It is just partisan applause.

Mr. Swart: Last April 22, an interesting little item appeared in the paper which I thought was

a classic, proving that competition in many areas is just not working. The heading is taken out of the Toronto Star.

Mr. Cooke: You are going to give Terry Jones a heart attack. Did you say competition is not working?

Mr. Swart: Yes, in many areas it is not working. Of course, they know it is not working, but they do not care. That is what really bothers me about it. They know very well that there are many areas where competition does not work. You know it does not work in administered prices such as Consumers' Gas, but you still let the prices go sky high. It does not matter what happens to the consumer.

The Deputy Chairman: The member for Welland-Thorold is not supposed to be talking to one member. He is to address the whole House on the amendment.

Mr. Swart: Yes, Mr. Chairman. Of course you are right.

Interjections.

The Deputy Chairman: I do not want him responding to these interjections.

9:40 p.m.

Mr. Swart: I know all the members of the House are just waiting with bated breath for what I am going to say next.

In making the point that there are areas where competition is not adequately controlling the price to consumers and that we therefore need a fair prices commission, I want to give now what I think is a classic example of an area that proves competition is not working. In fact, the heading says just what I am saying: "Vanilla Goof Proves Point"—

An hon. member: Who?

Mr. Swart: Vanilla. That is produced. I worked in the vanillin plant for 25 years of my life, which produces one quarter of the total supply of vanilla in the world.

This article is headed, "Vanilla Goof Proves Point: Consumers' Group."

It says: "Unjustified hikes in the price of pure vanilla are a good example of why groceries should continue to be individually priced," an official of the Consumers' Association of Canada says.

"The vanilla incident increases the evidence of a lot of things that we have been saying but have not been able to prove," said Ruth Jackson, vice-president of the association, referring to a story published yesterday in the Star. "Three

supermarket chains have jumped the price of vanilla by up to 21 per cent."

Interjections.

Mr. Swart: I guess I have the floor, Mr. Chairman.

The Deputy Chairman: Proceed without paying any attention, as per my earlier advice.

Mr. Swart: I am sure the next speaker in rotation will be a Conservative, and the member for Mississauga North (Mr. Jones) will want to speak. He just cannot wait to rise to speak on this bill and defend it.

I want to go on with this and remind members that "Three supermarket chains have jumped the price of the vanilla by up to 21 per cent.' A simple error made by a clerk at Miracle Food Mart in February led to the chain-reaction price hikes. 'Instead of increasing the price of French's artificial vanilla, as he had been told, the clerk increased the price of pure vanilla,' a company spokesman said.

"Two weeks later, Loblaws raised the price of its pure vanilla, Club House brand, by 13 per cent to \$5.99 for 125 millilitres, and a week afterward, Dominion raised its price 21 per cent from \$4.93"—

Interjections.

Mr. Cooke: Every chain copied the same mistake.

Mr. Swart: Yes.

Interjections.

Mr. Swart: Perhaps if I could have a little order, Mr. Chairman, I could repeat that.

The Deputy Chairman: Order.

Mr. Swart: I hope the members will listen intently this time, because I do not want to waste the time of the House in repeating these things, but it is important that these points be made and that the members understand them.

"A simple error made by a clerk at Miracle Food Mart in February led to the chain-reaction price hikes. 'Instead of increasing the price of French's artificial vanilla, as he had been told, the clerk increased the price of pure vanilla,' a company spokesman said.

"Two weeks later Loblaws raised the price of its pure vanilla, Club House brand, by 13 per cent to \$5.99 for 125 millilitres, and a week afterward Dominion raised its price 21 per cent from \$4.93 to \$5.99," the same amount. They raised it up to \$5.99.

"The manufacturer said, 'No price hikes were justified, because the wholesaler's costs had not changed. It appears we followed one of our

competitors in raising the price, but we are not sure why,' Roger Acton, vice-president of merchandising for Dominion said in an interview.

"Ruth Jackson, who is the vice-president of the consumers' association, also said she was 'discouraged. Competition between supermarkets was not strong enough to prevent price hikes from happening in the first place.'"

Welcome back, Mr. Chairman. What kind of proof do we need?

Mr. Wildman: Go over it again for the Chairman, will you?

Mr. Swart: No. The Chairman is a very discerning person. He catches up with debates and gets the full understanding even though he may not have come in at the beginning.

Mr. Chairman: I will not ask the member to repeat the half hour that I have missed.

Mr. Swart: This is only a small item, and we admit that, but surely it demonstrates, as clearly as anything can, that the competitive system in many areas is not working to protect the consumer. If it is not, whether it is administered prices or whether it is prices totally out in the private sector, we need a fair prices commission to protect the consumer.

Mr. Bradley: Mel, you have driven your family out.

Mr. Grande: One has to repeat something 17 times before the members opposite can understand it.

Mr. Bradley: They have left you, Mel.

Mr. Swart: They are busy people who probably got fed up with the irrelevant interjections and decided their time was better spent elsewhere.

Mr. R. F. Johnston: It is just that we are not slow learners like the ones over there.

Mr. Gillies: The thing that scares us is that the member for York South (Mr. Rae) is going to do the pricing.

Mr. Bradley: Do you mean that the government would appoint him?

Mr. Chairman: The member for Welland-Thorold has the floor.

Mr. Swart: Mr. Chairman, I was going to say that up to this time I have given examples to prove that the competitive system is not working in all areas to protect the consumer and that we therefore need a fair prices commission. I have given examples up to this time, but now I want to get into a little bit of the theory to prove that we need a fair prices commission and that

competition is not working to protect the consumer.

I want to go to the person who should be considered as the greatest authority in this nation, a person who is saddled with the responsibility of making sure that competition works, the Honourable André Ouellet.

Mr. Cooke: Which party does he belong to?

Mr. Swart: He belongs to the Liberal Party, although it is difficult to distinguish between the Liberals and Conservatives.

Mr. Cooke: But a Liberal is a Liberal is a Liberal.

Mr. Swart: Yes, a Liberal is a Liberal is a Liberal, and a Conservative is a Liberal is a Conservative.

Mr. Cooke: Call it a community party.

Mr. Swart: I was driving along in my car, Mr. Chairman, on June 15, 1981. In my car I keep a pad beside me, because sometimes I hear things that I want to write down. I wrote this down. It was Mr. André Ouellet speaking. He stated: "Canada has the highest concentration of corporate power of any of the western democracies but the weakest anti-combines legislation."

Mr. Wildman: He is in charge of it.

Mr. Swart: And he is the man in charge of it. He said this in defence of his proposal to bring in new anti-combines legislation which would be much tougher than the one we have at present.

I might also quote from Mr. Robert Bertrand. He is now the former director of the federal anti-combines branch. He is quoted in the New York Times as saying: "What we will have if this march of increased concentration continues is a national oligarchy in which a few dozen people will interact to bargain about the economic future of millions."

Then Mr. Ouellet stated at the Montreal Chamber of Commerce a year ago last March: "Time is short since we are presently witnessing a new outbreak in the area of mergers and acquisitions in the country. If this phenomenon should continue for another three or four years at the same pace, the control of the entire Canadian economy could be literally in the hands of six or seven."

Do we really think that with that kind of situation, competition in all areas is going to adequately control the price to the consumer? Or do we need a fair prices commission until such time as we get an improvement in the anti-combines legislation? Unfortunately that may be a little way down the road, because I

have the remarks of several other well-known economists here which echo those sentiments of Mr. Bertrand and Mr. Ouellet. I do not think I should take time to read them all here, but perhaps I should read some of them.

9:50 p.m.

I have one here by Mr. Irving Brecher of the Institute for Research on Public Policy, dated March 18, 1982. He wrote an article—in fact, a whole pamphlet—on the subject of competition, or rather the lack of it. The heading is, “A Sad Story of Competition Reform.”

He says: “In December 1960, I published a general critique of Canadian competition policy in the *Canadian Bar Review*. A major implicit premise was that the basic economics of competition and monopoly could be readily communicated to politicians, businessmen and much of the public at large and that, once intellectually sensitized, the federal government would readily move towards the kind of competition policy best suited to the efficiency and growth needs of the Canadian economy. It was a characteristic, economist-type premise of the time. It was also extremely naive.

“The past two decades have dramatized the extremely important role of interest group pressures, especially from the business community, in the development of Canadian competition policy. Indeed, it has become the conventional scholarly view that the legislative record of failure and frustration is almost entirely attributable to the fierce resistance of self-serving Canadian businessmen with a solid grasp of the economic issues at stake and with an exclusive dedication to minimizing governmental constraint on private decision-making in the marketplace.”

Mr. McClellan: Is he referring to the Minister of Industry and Trade (Mr. Walker)?

Mr. Swart: I have his speech here too. I think it is worth reading. It is a classic.

Mr. Brecher then says, “Relating statutory results to professed aims and potential benefits, I rank the story of competition reform among the saddest experiences in Canadian public policy.”

My amendment does not remove competition at all. Any fair prices commission, as proposed by the New Democratic Party, would be a watchdog where competition does not exist, where the prices are rising unconscionably, as they are in cereal and salt—I just gave those two examples—because competition does not work. The fair prices commission would investigate

on an ad hoc basis and order those prices held or rolled back. It does not destroy competition, and if there was an NDP government in Ottawa instead of a Liberal one it would have anti-combines legislation with some teeth in it.

Mr. Ouellet and the Liberals quite frankly admit they have been trying to reform the anti-combines legislation for 20 years and they have not been able to do it because of the pressures of the chambers of commerce and the multinational corporations. They always end up succumbing to their views. That is what they are going to do this time as well. That is why we need a fair prices commission, because the Liberals are not going to go ahead with reform of the anti-combines legislation. Now is the time to deal with it when we have a bill before us.

I wanted to read some more comments here, but I think I will pass over them rather quickly and proceed to the speech of the Minister of Industry and Trade and see what his views are about competition. This document I have here is the one that I read parts of in committee. I really should read the whole thing to the Legislature. People here might think that Ronald Reagan is to the right. They had better look at the Minister of Industry and Trade, because, if anything, he is to the right of Ronald Reagan. He is out so far to the right that there could be no one on the other side of him.

In this paper by the Minister of Industry and Trade, who was then Provincial Secretary for Justice—what an irony that is—and Minister of Consumer and Commercial Relations, to the federal-provincial consumer ministers’ conference in Quebec City on Thursday, September 3, 1981, although this is a 13-page or 14-page document—he is talking theoretically about competition in the economy—he does not once mention in the 13 or 14 pages the need for competition.

It is all a defence of the multinationals and private enterprise, which we in this party support as long as there is competition and as long as they are following the public interest. It is likely that this party will be the saviour of private enterprise because we believe competition should be continued. The people over there do not care about it. If there is no competition, there cannot be private enterprise for too long. It is going to be either monopoly control with one or two companies, or else government will take over those industries.

The minister in this statement talks about the proposal of the federal government to strengthen the combines legislation. He says: “This policy

will break the back and the spirit of Canadian business. We do not see a compelling need for substantial change in current combines legislation, nor do we consider a new competition policy to be a priority at this time."

Here we have Mr. Ouellet stating that Canada is in the worst situation with regard to monopoly and the lack of combines legislation and we have the minister saying he does not see any need for any change in the combines legislation.

Mr. Chairman: Refresh my memory on how that ties in.

Mr. Swart: I would like to refresh your memory, because it is a little while since I have mentioned it and I want to keep the thread of this all the way through. The amendment before you provides that the present Inflation Restraint Board be replaced by a fair prices commission. We move that because section 3, the prices section of the Bill 179—

Mr. Chairman: I got that. I was here for that. Your last part, where are you coming in?

Mr. Swart: I am coming to that, Mr. Chairman. You almost have to go through this in sequence so that you will get the thread of it.

We are talking about a fair prices commission replacing the Inflation Restraint Board, because in the bill it does not adequately provide the mechanism to provide restraint of prices. I have pointed out that it does not provide that in the administered prices, which includes the two groups. I will not go into that unless you would like me to.

It also does not even deal, except with monitoring, with any prices other than administered prices. The government says that competition deals with them. My remarks now are intended to show that a fair prices commission should be dealing with all prices in the economy where competition does not exist to control those prices.

I am pointing out that the minister has said we do not have adequate anti-combines legislation. The minister here is in opposition to any change in the combines legislation. We do not have any change in the combines legislation. That makes it more important to have a fair prices commission. They will understand that more.

10 p.m.

I have to prove the point he does not want a change. Therefore, it will not likely take place, because not only is he opposing it but, as I will point out in a few minutes, the chamber of commerce also is vehemently opposing any change in the anti-combines legislation.

Between the two of them—Ontario, with the clout it has with the federal government: buddy-buddy a good part of the time; and the chamber of commerce, with the clout it has—the federal government is not going to go ahead, as it pretended it was going to do time after time over the last 20 years and has never succeeded. So we have to have a fair prices commission.

The Minister of Industry and Trade states, "We fail to understand how a numerical computation of market share can conclude that a company is acting or is likely to act against the public interest." In other words, it does not matter if there are only two companies producing salt. That is no reason to think they are hurting the public interest.

Then he goes on to say: "The proposed policy defies the reality of the Canadian economy. One reality is that we have many key industries dominated by a few large firms because of Canada's geographic and demographic character. A small domestic market limits the number of companies which can succeed in many industries.

"The inherent heavy costs of serving communities scattered in the vast geography can place severe financial demands on those companies which can operate efficiently, and the high cost of developing and implementing new technologies can often impose substantial investment demands on an enterprise which must capture a significant market share to achieve production and cost efficiencies.

"Large corporations which consolidate financial, managerial and technological resources have emerged to overcome these Canadian realities . . . Many of our industries require major restructuring to improve productivity and ensure competitiveness. This will inevitably involve rationalization of existing production and marketing activities through mergers and other types of arrangements among firms. We want to facilitate that process but federal policy would limit and prohibit it."

Mr. Chairman: Do you think you have to read the whole speech?

Mr. Swart: He wants to facilitate mergers. Then he goes on to say—

Mr. Chairman: We do not want to hear the whole speech.

Mr. Swart: You will want to hear what I am coming to in a minute.

"The policy too readily assumes that these practices are designed to drive out competitors and enlarge a company's market dominance

when, in fact, this may not be the case at all." Get this: "Parallel pricing might well reflect price reductions or holding the line on prices as companies scramble to retain market share against the more efficient competitors. The dynamics of the marketplace even in oligopolistic industries can be positive as well as negative. First, as we understand the proposals"—I am coming to the part you want to hear—"any company or group of companies above a predetermined percentage or statistical threshold of market share would be prohibited from certain so-called anti-competitive practices."

Now, get this; this is what I am coming to: "A threshold level in the 70 to 80 per cent range would automatically designate many of Canada's top corporations." To get the significance of that, one must realize that proposals of the federal government made a year and a half ago stated that when a company had 70 to 80 per cent of the market, there was no longer competition in that field.

That seems to me to be a realistic assumption. In the United States, they think that if a company has 30 to 40 per cent of the market, competition really no longer exists. But the federal government said that once one got to 70 to 80 per cent, competition would no longer exist.

The minister went on to say: "It would automatically designate many of Canada's top corporations, the iron and steel industry, auto manufacturing industry, tobacco, gas, electrical wire and cable, brewery industry, many specialized manufacturing sectors, and so forth, as being undesirable corporate citizens in the federal view. We also object to the presupposition that just because a company is dominant in its industry, its market power is therefore detrimental to consumer interests."

In other words, just because there is no competition does not mean that is detrimental to consumer interests.

It goes on to say: "Large and dominant companies are increasingly sensitive to the dangers of antagonizing not only governments, but also their suppliers and their customers. It is simply contrary to good business practice in an environment where governments, news media, consumer groups and analysts are ever vigilant. Market share, as already noted, is not a logical or fair test."

Mr. Chairman: I have been very tolerant in your reference to the speech in your hand, but, sincerely, I find it difficult to tie in a particular speech that relates to this.

Mr. Swart: I will conform to your wish. I suppose I could go through the whole procedure again to point out how I am tying this in but I will not bother. I will conclude with the final sentence of this speech: "For these and other reasons, Ontario must oppose the proposed competition policy." That is Mr. Walker who is against competition.

Mr. Chairman: Do you mean the Minister of Industry and Trade?

Mr. Swart: He said that when he was Minister of Consumer and Commercial Relations. That is why it is so important. The present minister could tell you that I raised this issue with him. I asked him in the estimates of Consumer and Commercial Relations if he still supported that policy as stated by the then minister and he did not answer. He declined to answer that directly.

Mr. Cooke: What does the Premier (Mr. Davis) say about competition at first ministers' meetings?

Mr. Swart: He said nothing about competition. The government let Mr. Walker make those right-wing statements.

Mr. Cooke: He said the new proposals were too restrictive.

Mr. Swart: I have no doubt that they let Mr. Walker put this government's position on competition. We know what it is. Competition is of no importance to them at all. If there is no competition then we must have some way of protecting the consumer; and that has to be the fair prices commission, as we in this party will change the bill to provide.

We in this party, as you may have gathered from what I have said, believe it is essential, and we are saying this because it is a view and conviction held by this party, that if we are going to fight inflation and price escalation we must have a body that has the authority and the means of controlling unjustified price increases.

Hon. Mr. Timbrell: Exactly.

Mr. Swart: That body is the fair prices commission. I just cannot see why the government is opposed to such a commission.

I am sorry the Minister of Agriculture and Food (Mr. Timbrell) was not here when I was talking about milk. I was quoting what Ralph Barrie had to say about price spread at the Ontario Federation of Agriculture. I will not go back over that. You will appreciate that, Mr. Chairman. I want to proceed and to finish by 10:30. I am not saying I can accomplish it, but that is what I want to do.

There is little doubt that if the objective of this bill is to control inflation, which really is to control the price of goods and services, we must have an adequate fair prices commission. In fact, we must control prices.

I have quoted this before but I am going to quote it again because it is rather significant. What I have been saying for the last two hours about the need for a fair prices commission, the need to control prices, is exactly what the appointed chairman of the so-called Inflation Restraint Board said. We in this party are trying to carry out his wishes because Mr. Biddell, writing in the CA Magazine for chartered accountants back in February 1980, made these comments on price controls.

10:10 p.m.

Incidentally, I should say, Mr. Chairman, because you would want to know, I am not quoting this out of context. I read the whole article and what I quote here is really the essence, the summary of what he said in that article.

He said, "Simply put, high inflation is a continuing, unacceptable rate of increase in the prices we have to pay for the goods and services we consume." A very straight statement.

He goes on: "To contain inflation effectively, we must slow down the rate at which prices are increasing. We must control prices." That is what he says and that too is reasonable, Mr. Chairman. I am glad you nod your head. That of course means that when the time comes for our amendment to be voted on, you will be with us.

Mr. Chairman: No, I am just nodding because I am following your arguments.

Mr. Swart: Thank you. That is the first step, Mr. Chairman.

Mr. R. F. Johnston: That is better than some people we have noticed.

Mr. Cooke: It wouldn't be the first time he supported us.

Mr. Swart: That is right, he did vote with us, I recall.

To continue with the comments of Mr. Biddell. "Most people believe that this is just what the United Kingdom, the United States and then Canada did under our respective anti-inflation programs in the last five or six years." Of course, here he is talking about the program which was instituted by the Honourable Pierre Trudeau and supplemented by legislation enacted here by an order in council when this House was not sitting, back in 1976, and which was ultimately

declared to be ultra vires. Then they had to bring in a bill in the next session to correct that.

I go on to quote: "The fact is that except for a very brief, temporary price freeze in the United Kingdom and the United States programs, none of us did." That means none of us did control prices. In fact, that is the next sentence. "We did not control prices. We attempted to control some profit margins and we controlled wages and salaries and we controlled dividends, all in the hope that by doing so we would inhibit price increases. Our efforts had some success, but not nearly what we might have had and could in fact achieve now, if we set about in a more direct fashion by directly controlling price increases."

Surely the members of this House know that is exactly what we are trying to do by the amendment we now have before this House and by the subsequent amendments we will have to section 26 of this bill: direct control of prices. Our amendment, of course, is an amendment which replaces the Inflation Restraint Board by a fair prices commission.

To have a statement like this from the chairman of the board which is going to have to be dealing with low prices, seems to me to be pretty significant. In fact, it says to me and I would think it would say to the government, that the government's attempt to control inflation by controlling public sector wages, will be a total failure.

Mr. Wildman: A fraud.

Mr. Swart: I like that word. It is more than a failure, it is a fraud. In fact, I suggest they are deliberately perpetrating fraud on the people of this province for political reasons and it really has very little if anything to do with controlling prices.

Unfortunately perhaps, Mr. Jack Biddell is part of the fraud being perpetrated by this government. Here they are taking a person whose views they have respected over the years, and putting him a position where he will have no power. That is exactly what the government is doing. He may want to carry out the price control but he has no power to do it, unless we can get our amendment for a fair prices commission through. Then he will have the power to do it.

He deals with various categories and I am not going to read the whole article but he says, "The third category includes the majority of manufacturers and most of the service industry." He is talking about the sector where we need price control. "Although influenced to some degree by competition, this is the group with the

greatest ability to pass on to the public its additional costs plus a profit margin simply by raising prices."

Do you see any similarity in that statement to what I have just been saying about the lack of competition? He is saying exactly the same thing.

He goes on, "If we are to contain inflation in Canada, this is the group whose prices must, in some fair but effective manner, be directly controlled."

That is the third section I was talking about. I am not sure you were here, Mr. Chairman, when I was talking about the first two sections: the administered prices by agencies and the prices applied directly by government agencies; and then this third section, the prices this bill does not even deal with at all.

He states, and I want to repeat it: "If we are to contain inflation in Canada, this is the group" — the last group I was talking about; the group that the Minister of Industry and Trade, incidentally, said should do as it likes. "If we are to contain inflation in Canada, this is the group whose prices must, in some fair but effective manner, be directly controlled." What fairer way of directly controlling them than a fair prices commission?

It should be remembered that Ontario's administrative price program with a profit and wage control program allows full cost pass-through but limits increases in profits and wages to five per cent. That is precisely the kind of system that Mr. Biddell concluded would not work.

I doubt whether I will be able to conclude totally by 10:30 p.m. because I want to tell a little bit about what we propose to put in the fair prices commission.

If we are going to change the name, as we are proposing in this amendment, to a fair prices commission—and if I have proved the need for a fair prices commission to control prices on an ad hoc basis—then I should tell the House how we propose to do that so members can vote with full knowledge on the change of the Inflation Restraint Board to a fair prices commission.

Mr. Philip: Do not cover the rent stuff now. That will take me an hour in my speech.

Mr. Swart: No, I am not going to cover the rent stuff. I do not have time to do it. Besides, the member for Etobicoke (Mr. Philip) is so much more knowledgeable about the rent issues than I that he is the appropriate one to deal with that.

We intend to change the name of this Inflation Restraint Board to the fair prices commis-

sion but the section dealing with the setting up of this board will remain fundamentally the same. It leaves three members on the board. There will be a chairman appointed by the government and the terms of reference in that first section will remain much the same.

I want to point out, though, that we are removing within that section, one of the very arbitrary provisions. I am sure the colleagues to the right, the Liberals, will agree with this one, because we propose that the commission shall, before making any order or determination, hold a hearing, and the Statutory Powers Procedure Act applies to such a hearing. We want to do all of this in a very democratic way. We do not want to impose penalties, unjust decisions, on the manufacturers or on the distributors, whoever is setting these prices. We want to do it in a fair way, but we want to assure that it is done through a fair prices commission.

10:20 p.m.

As you would expect from what I have already said, Mr. Chairman, we will enlarge rather dramatically the control over prices. Whereas now under section 26, I believe, of the bill we have before us, it talks about the prices it will endeavour to control—I am having some difficulty finding the bill. I know it is in section 26, in any event, and it gives a definition of "administered price."

Mr. Chairman: I prefer you not to refer to section 26, because then it is tough to justify how you are speaking to the amendment.

Mr. Foulds: On a point of order, Mr. Chairman: He just wants to relate that to clause 1(a), which he has been doing a superb job on throughout the last few moments, as I am sure you yourself would agree.

Mr. Swart: Mr. Chairman, I think it is fair and within the rules of order that I should tell you what we intend to do with the fair prices commission, how we intend to change it; otherwise, when people vote for or against the fair prices commission, they will not know exactly what they are voting for or against in the definition section.

Under section 26 of this bill "(a) 'administered price' means, (i) a price, user charge or fee charged by a public agency, and (ii) a price, user charge or fee required, permitted or authorized by a public regulatory agency to be charged by another person; (b) 'price increase' means an increase or a proposed increase in an administered price." Members will agree that this is a very finite definition of what prices are controlled.

This is what we would do under the fair prices commission. "Administered price" would mean (i) a price, user charge, fee or premium—that gets the Ontario health insurance plan premium, you see, Mr. Chairman—or rent charged by a public agency; (ii) a price, user charge, fee, premium or rent required, permitted or authorized by a public regulatory agency to be charged by another person; and (iii) an amount payable by the Ontario health insurance plan for insured services. That plan would also come under this: doctors. "Price" means any price, user charge, fee or premium other than an administered price.

So the fair prices commission, as we envisage it and as we will amend the bill to provide, will be given the power to deal with all prices for goods and services. It removes that very confined definition and broadens it.

It also provides—we want it this way, and I am sure you would too, Mr. Chairman—that any person can initiate in writing a request to the commission to investigate a price increase; it seems that this is a democratic way of doing it. And, of course, the commission has the obligation to do it on its own where it sees that prices are increasing.

Members will realize that the present section 27 provides that the minister will set up criteria on which these administered price increases will be judged, but there is nothing in the bill about what those criteria will be. We have a statement that was tabled, but there is nothing in the bill. So we would put criteria right in the bill, and the fair prices commission, in considering whether an increase is justified, would consider it in the light of the earlier price increases relating to the same product, service or rental accommodation, where the person or public agency proposing the price increase could reasonably be expected to absorb a higher share of the price increase. That is one very important criterion.

Another is that the commission would consider whether the price increase takes place in a sector dominated by one or a few suppliers of the relevant product, service or rental accommodation. This gets into the whole field of competition again. In the case of salt, where there are only two manufacturers and the price is high, that would be considered by the fair prices commission, as it should be, and as is advocated by Mr. Biddell, as members heard me quote.

Further, it would consider whether the price increase relates to an essential consumer product or service. There may be some justification

for permitting increases, for example, to make a substantial profit on the price of Cadillacs, but not on the price of Citations, one of which I just bought, a four-cylinder car, which is a working person's car. There is more justification in keeping that price down. That is an example of what we mean.

Also, it would have to consider whether the public interest would be better served by a lower price increase or by no price increase, and whether the price increase would have a significant impact on the rate of inflation. That is rather important, is it not, when the whole purpose of the bill we have before us, according to the government, is to control inflation? Certainly it should already be in the bill that the Inflation Restraint Board should consider whether the price increase would have a significant impact on the rate of inflation as measured by the consumer price index published by Statscan.

Further, the commission would consider whether the price increase would materially affect the general standard of living, or the standard of living of a particular class of consumers, and whether the price increase would exceed current average real wage gains. That is important too. If we are expecting people to limit their wages, then we should set prices in relationship to those wages.

It would also consider whether the price increase, apart from its own merits, could be justified in view of current economic conditions.

Then we go on to list the powers of the board. The commission could require that the price or administered price be frozen at its current level or that the price or administered price be rolled back from its current level to a specified level. It could substitute a lower price increase for the proposed price increase; delay the effective date of a price increase; impose conditions on a public agency or other persons with regard to the implementation of a price increase; or exercise any combination of the powers in clauses (a), (b), (c), (d) and (e).

We want it to be democratic, unlike the bill before us. This sets up an appeal process. The fair prices commission would have an appeal process and, upon the petition of any person filed with the clerk of the executive council within 30 days after the date of an order of the commission, the Lieutenant Governor in Council may confirm, vary or rescind the whole or any part of the order or require the board to reconsider in a new public hearing the whole or any part of the matter to which the order relates.

Not only do we believe in democracy to the

extent that there should be an appeal process, but once again the final determination shall be made by the political party that has the power to govern this province. Of course, at present that is the Conservative Party, and we have reservations in leaving it with that party because we know what it has done. Nevertheless, under the principles of democracy, rather than leaving the final decision with the restraint board, it would go to cabinet.

I think at this time, Mr. Chairman, I should

move the adjournment of the debate, and I so do.

The Deputy Chairman: Actually, the adjournment of the debate is not required.

Are we ready to vote on the amendment?

Some hon. members: No.

On motion by Hon. Mr. Wells, the committee of the whole House reported progress.

The House adjourned at 10:30 p.m.

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Ontario. LEGISLATIVE ASSEMBLY

No. 160

Legislature of Ontario Debates

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Official Report (Hansard)



Second Session, Thirty-Second Parliament

Thursday, December 2, 1982

Afternoon Sitting

Speaker: Honourable John M. Turner

Clerk: Roderick Lewis, QC

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LEGISLATURE OF ONTARIO

Thursday, December 2, 1982

The House met at 2 p.m.

Prayers.

SECONDARY SCHOOL REFORM

Mr. Roy: I have a point of privilege, Mr. Speaker.

Hon. Mr. Ashe: We know it is Thursday. The member for Ottawa East doesn't have to remind us.

Mr. Roy: May I proceed, Mr. Speaker? Some members seem to be somewhat agitated.

Hon. Mr. Welch: The member has our attention.

Mr. Speaker: Yes. Never mind the interjections.

Mr. Roy: On the point of privilege: First, I will speak in English, but I think the point of privilege should be raised initially in French.

M. le Président, le ministre de l'Éducation a fait cette semaine une annonce tout à fait particulière sur la réforme de l'éducation secondaire. Lors d'une conférence de presse ici à Queen's Park, au cours de laquelle elle présentait cette réforme, elle a précisait qu'il serait dorénavant nécessaire d'avoir cinq crédits en anglais et un en français pour obtenir un diplôme donné.

Plus tard au cours de la conférence, elle a demandé à l'un des agents du ministère, Monsieur Jack Bell, de donner des détails plus concrets aux journalistes. Ce Monsieur Bell a donné les explications voulues et on lui a alors demandé les raisons de cette politique. D'après lui—et j'ai vérifié le contenu de sa réponse—s'il est nécessaire d'obtenir cinq crédits en anglais et un seul en français pour avoir un diplôme, c'est que le français est une langue ethnique, "comme le chinois," a commenté M. Bell.

Je ne veux en aucune façon critiquer mes amis parlant le chinois ou rabaisser cette langue ethnique sûrement importante dans certains secteurs du globe. Je trouve cependant malheureux qu'un agent, occupant apparemment un poste important au ministère, appelle "ethnique" une des langues officielles du pays et la compare au chinois.

Je trouve que l'utilisation de cette comparaison pour la langue française constitue non seulement une insulte, mais un manque de savoir-faire de

la part du ministère. Je crois que le ministre devrait s'excuser ou qu'un membre de la communauté franco-ontarienne devrait demander des excuses au ministre.

Earlier this week, the Minister of Education (Miss Stephenson) announced new policies regarding secondary education. One of the policies she announced was the requirement of mandatory credits, apparently five mandatory credits in English and one in French, to obtain a diploma. Following the press conference, the minister asked an official, Jack Bell, to give an explanation to the waiting members of the press. During the conference, Mr. Bell explained the necessity for this new policy by saying, "The requirement for only one credit in French is because French is an ethnic language, just like Chinese."

It is unfortunate that a senior member of the ministry should take the position that one of our official languages should be considered as only an ethnic language. It is also unfortunate that he would have no more knowledge of the ministry than to compare one of the official languages, to which this Legislature and this province has given a very particular status, to a language such as Chinese. I do not want in any way to denigrate my Chinese friends, since Chinese is a very important language in certain sectors of this universe, but in Canada, there is special status for two official languages. The Franco-Ontarian community deserves an explanation and an apology from the minister.

Mr. Speaker: As the member for Ottawa East must know, that is not a point of privilege. His privileges have not been abused in any way, shape or form. Is there a response from the Minister of Education?

Hon. Miss Stephenson: Mr. Speaker, I did not make the request of Mr. Bell. There was some confusion at the time of the press conference, and I am aware that certain reporters spoke to Mr. Bell. The confusion was not allayed until after the press conference, when I submitted that our concern was to find a mechanism based upon equitability of language requirement for both francophone and anglophone students, and that I was prepared to hear from the francophone communities what they considered to be most appropriate.

The honourable member may be interested to know we had a meeting on the following day with representatives from all the francophone communities to try to establish some of the mechanisms whereby this could be accomplished. It is unfortunate that any such statement was made, because that is certainly not the attitude of the Ministry of Education or of this government.

Although it has been the purpose of certain members of the third party to attempt to move all languages into the language of instruction situation, it is certainly not the purpose of the government of Ontario to do anything to diminish the status of French-language education in this province. It was an unfortunate example to use. I would like the members to know that there was no request made by me to Mr. Bell to speak with the press. That request was made by the press to Mr. Bell.

LEAD ASSESSMENTS

Mr. Martel: Mr. Speaker, I have a point of privilege. On Monday last, I received a report prepared by Dr. Ann Robinson and submitted by the Minister of Labour (Mr. Ramsay) to me concerning Westinghouse. The health and safety committee of the union approached me, and I raised this matter in the Legislature on several occasions. I have difficulty in being able to assist that union when the report I received and the material contained therein not only is misleading, but is factually incorrect.

I would like to indicate why I feel I cannot assist the health and safety committee. The following statement is contained in this report: **2:10 p.m.**

"Air sampling for lead"—and this is a very toxic substance—"was carried out while grey paint was in use on September 23 in department 951 in fulfilment of a commitment made to the union representative. Results showed the value to be below the threshold limit value." Grey paint is the paint with the lowest lead content of all and the one not used very frequently at Westinghouse.

Let me continue: "It is to be noted that the company results for sampling on April 14 in department 951—"

Mr. Speaker: I call the honourable member to order. It is not a point of privilege that you are presenting, and it may better be pursued during oral question time with the minister in question. Your privileges have not been offended in any way.

Mr. Martel: Mr. Speaker, possibly you could

assist me. In this material that I propose to give to you—

Mr. Speaker: Well—

Mr. Martel: Let me finish.

Mr. Speaker: All right.

Mr. Martel: I would like you to hear me out. When the tests that are now available show lead being used to a level 16 or 20 times higher than the threshold limit and this report says they are not in—

Mr. Speaker: I call the member to order; order, please. Resume your seat, please. You are asking me or appealing to me to make a judgement on a report that obviously I have not seen and know nothing about, and I just do not have that responsibility in this chamber.

Mr. Martel: Mr. Speaker, if I might—

Mr. Speaker: No.

Mr. Martel: Mr. Speaker, you will recall that two weeks ago I raised the matter, on a point of order in the House, of questions not being answered that were given orally, and now we are getting written answers and the answers are never made—

Mr. Speaker: Order, please. That has nothing to do with me, as you well know.

Mr. Martel: But you just said you did not know the content of the report.

Mr. Speaker: That is right.

Mr. Martel: Then he should have answered orally when it was—

Mr. Speaker: Just resume your seat. It is really no responsibility of mine at all.

Mr. Martel: Mr. Speaker—

Mr. Speaker: No. Member for Sudbury East, resume your seat, please.

DISTRIBUTION OF HATE LITERATURE

Mr. Sweeney: Mr. Speaker, I wish to draw to your attention a pamphlet that has been, I believe, sent to every member of this Legislature. It is entitled, *Separate Schools and Your Tax \$\$\$*.

My privileges as a member of this Legislature have certainly been violated. This is the closest thing I have ever had delivered to my office that could be called hate literature. This kind of bigoted garbage, surely, I would have thought, would no longer be tolerated in Ontario.

I do not know whether you can act or whether it is the Minister of Education (Miss Stephenson) who should act, but someone should.

Mr. Speaker: I will have to call—

Mr. Sweeney: The distribution of this, which vilifies separate schools in Ontario—

Mr. Speaker: I will have to call the honourable member to order.

Mr. Sweeney: Something must be done about it.

Mr. Speaker: I tend to agree with your observations, and I am already taking a look into it as a private member.

STATEMENTS BY THE MINISTRY

SCHOOL YEAR POLICY

Hon. Miss Stephenson: Mr. Speaker, I am pleased today to announce that cabinet has approved a revised school year and school holidays policy for Ontario effective September 1, 1983.

In 1981, a committee was established within the Ministry of Education to plan and to carry out a comprehensive review of the current regulation on the school year and school holidays, which has been in force since the beginning of the 1973-74 school year.

The data-gathering process employed by the committee included: (1) the use of a questionnaire that was distributed to over 10,000 members of the education community; (2) public hearings right across the province; and (3) meetings with the Ontario School Trustees' Council, the affiliates of the Ontario Teachers' Federation and the supervisory officers organizations.

Following the initial data-gathering phase, an interim report was distributed widely by the ministry with a second invitation for comments and reactions. The revised policy, which I am announcing today, was established, therefore, following a very extensive consultative exercise.

You will recall, Mr. Speaker, that on November 22 I was asked by the member for Cochrane North (Mr. Piché) to provide assurance that in the future, schools will mark Remembrance Day on November 11.

The new school year policy provides that assurance and responds positively to the recommendation made by the Royal Canadian Legion.

The revised policy removes Remembrance Day from the list of school holidays and requires that a Remembrance Day service be conducted on that day in every school unless the school participates in a service at a cenotaph. If November 11 falls on a Saturday or Sunday, then a service in schools is to be conducted on the Friday preceding Remembrance Day.

The school year will consist of 194 school days, will commence on or after September 1 and will conclude on or before June 30. Within this school year there will continue to be no fewer than 185 instructional days.

Boards will be required to publish their school calendars at the beginning of each school year for the information of pupils and their parents.

Other significant changes relate to holidays, professional activity days and examination days.

The midwinter break will commence one week earlier, that is, on the Monday following the Friday preceding March 14 rather than on the Monday following the Friday preceding March 21.

Mr. T. P. Reid: Or something like that.

Interjections.

Hon. Mr. Welch: If you cannot figure that out you should not be in the school system.

Hon. Miss Stephenson: Right.

The options of designating any five consecutive school days for the midwinter break between the first school day in January and the last school day in June, and of designating another day as a holiday in lieu of Easter Monday, have been removed.

The Christmas vacation will be two full weeks, but boards will be able to opt for a Christmas vacation that varies in length from year to year, as at present, with notice.

Up to nine school days may be designated as professional activity days, a significant number of which must be devoted to curriculum development, curriculum implementation and review. In addition, boards will be required to undertake annual evaluations of the activities conducted on those days.

Up to 15 instructional days may be used in each year as examination days. Where a school has a policy of granting exemptions to pupils from writing final examinations, such exemptions may be granted only from the final examination in a course and only where a pupil has already written at least one other examination in that course.

Teachers will be required to be in the schools on examination days and to be available to pupils during regular school hours unless a board directs otherwise.

These are the major changes involved. It is my intention to send, in the course of the next few days, a memorandum to all school boards indicating each of the changes in detail. It is

anticipated that the new regulation will be gazetted about the end of December.

CLOSURE OF AUDIO LIBRARY

Hon. Mrs. Birch: Mr. Speaker, in line with my recent comments in the House, I want to reassure the honourable members that the audio services provided to visually handicapped people by the Trent audio library up to this time will continue.

The government has a commitment to assist disabled persons, including those who are visually handicapped. Appropriate mechanisms will be put in place to support services such as those provided, for example, by the Trent audio library. We are continuing to explore all options in order to determine the best ways to do this.

In the meantime, let me assure all members and the post-secondary students who use this service that the government will ensure continuity of service to them.

2:20 p.m.

Interjections.

Mr. Speaker: Order. They just cannot wait to place their questions. Whenever you are ready.

Mr. Foulds: We'll give you a ministerial statement if you want.

Mr. R. F. Johnston: Do you want us to go first over here?

Mr. Speaker: You are coming perilously close to not being here at all.

BRUCE ENERGY CENTRE

Hon. Mr. Welch: Mr. Speaker, later this afternoon I will introduce a bill to amend the Power Corporation Act, which will enable Ontario Hydro to develop the Bruce Energy Centre.

In July, I made public a draft version of this bill in order to encourage discussion and consultation on the proposals. I am pleased to report that several interested parties have expressed their views to me on this subject, and the legislation which I will introduce this afternoon reflects this public consultation and informed opinion.

The legislation will permit Ontario Hydro to purchase and develop the land and facilities required for the Bruce Energy Centre, which will use heat energy from the Bruce nuclear power development to serve the combined agricultural, commercial, aquacultural and industrial development there.

This legislation represents a very important step forward in the development of this pioneer-

ing venture to make the best use of Ontario's energy resources, and I feel confident that the benefits of the development will be of great value to the people of Bruce county and of the province.

ORAL QUESTIONS

Mr. Peterson: Mr. Speaker, before oral questions, may I note that the Premier (Mr. Davis) has not been here for question period this week.

Mr. Speaker: Is that your question?

Mr. Peterson: I have a request of you, sir. I wonder if you would take it upon yourself to convey to him the new education policy for this province, because he may have missed it.

Mr. Speaker: No. We are in oral questions.

Mr. Peterson: It may have been done in his absence.

SEAWAY TRUST

Mr. Peterson: Mr. Speaker, I have a question for the Minister of Consumer and Commercial Relations. The question concerns a property in London, Ontario, the London armoury at 77 Dundas Street, and Seaway Trust Co.

On February 6, 1980, the armoury was sold to a local group for some \$700,000, subject to a \$500,000 mortgage to Canada Trust Co. which has not been discharged. On June 12, 1981, that building, the armoury was sold to one William C. Player, in trust, for \$1.25 million, cash of \$750,000. On October 21, 1981, Mr. Player, as trustee, mortgaged that building to Seaway Trust Co. for \$1.5 million at a rate of 19.5 per cent due May 1, 1982, which has not been discharged.

I should point out that I am only going from the registered documents. That is all I know in the circumstances. On March 10 and March 12, 1982, Player, as trustee, mortgaged to Chiara Holdings, which assigned the mortgage to Seaway Trust Co. for \$4.5 million at a rate of 15 per cent due March 10, 1983.

What we have in simple terms is a sale of a property that is valued, to be charitable, at \$1.25 million now having mortgages on it to Seaway Trust of a total of \$6.5 million. Could the minister tell me if he has investigated whether this is in violation of the Loan and Trust Corporations Act and whether his ministry has looked into it? Was he aware of it and what is he doing to protect the various people involved?

Hon. Mr. Elgie: Mr. Speaker, I can only reiterate that under the terms of reference and

under section 152 of the Loan and Trust Corporations Act, the general conduct of business with respect to a number of trust companies and a mortgage company are being examined and reviewed and I would expect that will be one of the areas being examined.

Mr. Peterson: This particular transaction has nothing to do, as we can ascertain, with Cadillac Fairview or Greymac. Is the minister telling me now that he is widening the section 152 inquiry into a complete investigation of all of the transactions of Seaway Trust? Because I remind him what he originally said was he was going to look into the financing of those subject buildings, the Cadillac Fairview to Greymac transaction, through the section 152 route. Is he going beyond that? Is that what he is announcing today, that he is going to be involved in looking at all the deals of Seaway Trust and everything they have been involved in for the past two or three years?

Hon. Mr. Elgie: If the member would read section 152 he would realize, I would hope, that it is not a question of adding here and there and now and then. I know he is trying to leave that implication, but the wording is very clear; it is to inquire generally into the conduct of the business.

Naturally, the first area of business they will be looking into will be the area with respect to the Cadillac Fairview transactions, but the terms of reference do not limit them to that area.

Mr. Rae: Mr. Speaker, to try to get at this question in a slightly different way, is the minister telling this Legislature that he is fully satisfied that the auditor, appointed under section 152, has sufficient powers to determine not only the conduct of the business of Seaway Trust, but the identity of the individuals who are behind the very substantial sums of money that are being invested by Seaway Trust? Is he really satisfied the auditor can get at the identify of all the individuals who are behind the money that is involved in these deals? Does he give that assurance to the Legislature? If so, how can he give us that assurance?

Hon. Mr. Elgie: Mr. Speaker, as I have stated before, it is my belief that as the examiner looks into the nature of the transactions, that information will be part, by necessity, of the information they will be requiring. I have already indicated that in the particular situation with respect to Cadillac Fairview, I agree we must find out, and confirm, that there were Saudi investors and

that there was a flow of money. We will be endeavouring to make certain that information is available.

Mr. Peterson: Am I right in saying, then, that the minister is telling us today in the House that Mr. Morrison will be looking into all deals, all financing, all mortgages held by Seaway Trust, Crown Trust and Greymac Trust? Are these now the formal terms of reference?

As a second part to my second supplementary, I ask the minister this: when the order in council was issued by cabinet on September 2, 1982, allowing Seaway Trust to raise the level of its authorized share capital from \$35 million to \$75 million, why did he not investigate these matters then?

I understand the registrar, under the act, made some representations to cabinet on behalf of Seaway Trust Co. This all must have come before the minister and his colleagues at that point. Will he table those documents in this House so that we can have a look at what he was given at that point and can see the basis on which he made his judgement?

Hon. Mr. Elgie: The superintendent of insurance, as the member well knows, has an obligation to supervise and to look into various aspects and to respond to certain requests. The superintendent of insurance reviewed the request that Seaway Trust's capital base be allowed to expand. He reviewed it and recommended to me that he thought it was in order. Let us not try to pretend there was anything strange about that.

Mr. Kerrio: C&M Financial has gone down in Niagara and the minister knows it. Why doesn't he do something about it?

Hon. Mr. Elgie: Don't get silly, Vince; don't get silly.

Mr. Speaker: Order.

Mr. Kerrio: Why doesn't the minister do something about it?

Hon. Mr. Elgie: That order in council was in response to an application and upon the recommendation of the registrar. It was after no consultation by me with anyone but the superintendent of insurance, and upon conferring with cabinet, that the order in council was presented.

ASTRA/RE-MOR

Mr. Peterson: Mr. Speaker, I have a new question for the Minister of Consumer and Commercial Relations. The minister is aware that he refused to make public, last week, the

Ombudsman's interim report with respect to the Astra/Re-Mor matter, citing at the time, as I understand it, the Ombudsman Act, which prevented him from so doing.

In response to a motion from my colleague the member for St. Catharines (Mr. Bradley) requesting the tabling of that report, the minister said that we were trying to bypass the procedures of this Legislature established under the act. Following this gratuitous advice from the minister, the chairman of the committee ruled that our motion was out of order, saying, "There is no reason why lawyers or anyone else should receive this report."

2:30 p.m.

I am sure the minister is aware that yesterday in committee, during the estimates of the Ombudsman, the honourable gentleman refuted the minister's argument, saying it is within the discretion of the minister whether he wishes to release that interim report. Now that we have that obstacle dealt with and now that we all clearly understand the law, may I ask him to table that report immediately?

Hon. Mr. Elgie: Mr. Speaker, my response is still exactly the same. Had the Leader of the Opposition served on the committee dealing with the Ombudsman's estimates, he would know a section 19(3) letter is a letter from the Ombudsman saying, in effect, it is open to him to conclude certain things. He has not made any definitive decision yet. He cannot release the document.

Surely the member has some appreciation of the fact that we are at the discussion stage in regard to these documents, and the final recommendation may or may not be the same as it is now. I do not intend to release a letter to me indicating that it is open to the Ombudsman to conclude certain things. I have no intention of tabling it.

Mr. Peterson: I remind the minister again, because he probably did not understand, that the Ombudsman said the minister could release that letter; he sees no legal impediment whatsoever. The minister is aware that document is not admissible in court as evidence. He is also aware that he has had that document some four or five months and has not replied to the Ombudsman. What is the minister doing? When is he going to respond? To whom?

Why is the minister taking so long with a matter that has been before this Legislature for so long and is causing so much anguish for so

many people? Why does he not get the lead out and do something?

Hon. Mr. Elgie: Listen, Roger Ramjet, you may be the last living American hero, but you are the only one who knows it.

Mr. Speaker, I tell the member, quite openly and frankly, we have been involved in discussions with the Ombudsman, and he reported that to the committee. He also reported to the committee that he expected a resolution within the next few weeks. That is exactly what I have told this House and what I will continue to tell the member opposite in this House.

Mr. Rae: Mr. Speaker, surely there is a question here that the minister has yet to answer; quite simply, it is this: since the Ombudsman has released the minister, set him free—unfettered his discretion, as it were—and said that he has no objection to this letter being released, as its release will cause no embarrassment whatsoever to the Ombudsman, can the minister tell us how we or any other observer can possibly avoid coming to the conclusion that the only people who will be embarrassed by the release of the letter are the minister and his colleagues in the Conservative government?

Hon. Mr. Elgie: Mr. Speaker, there will be no hesitation in releasing the material when it is appropriate to do so. I know this is a new, little pond for the honourable member, but in this little pond he knows very well that the section 19 stage is a discussion and negotiation stage. He also knows very well that the Ombudsman pointed out to the committee yesterday that there might be some concerns about releasing it without any final decision on it having been made, knowing the case is before the court.

Mr. Bradley: Mr. Speaker, I am glad the minister brought that up, because I have yesterday's estimates as reported by Hansard. I said to the Ombudsman: "I want to be clear on this. In this case, you do not object to the minister himself, if he sees fit, releasing the contents of the letter from you to the minister with that recommendation in it." He did not.

I went on to ask: "How does your report affect court cases? Can your report be used in court cases?" The Honourable Mr. Morand replied: "It cannot be used in court cases. It is not admissible in evidence at all. There is a specific exclusion in the act."

In view of the fact that the Ombudsman has reported to the committee that this cannot be used in court cases, since it is forbidden by the act, why would the minister now hide behind the

fact that there are some civil court cases going on in order not to reveal the contents of that report to this Legislature?

Hon. Mr. Elgie: Mr. Speaker, I am not hiding behind anything. I will release the appropriate information when it is past the section 19 stage.

FUNDING OF MINISTRY AGENCIES

Mr. Rae: Mr. Speaker, my first question is to the Minister of Citizenship and Culture. I wonder whether the minister can confirm that a letter has gone to a number of cultural agencies, including the Ontario Arts Council, the Ontario Educational Communications Authority, the Royal Ontario Museum and others, over the signature of a Mr. B. F. Webber, who is the director of finance and administration in his ministry, indicating that in 1983-84 the ministry intends to allow a five per cent increase to cover salaries but intends to impose a 15 per cent cut on grants from his ministry to these funded agencies with respect to their operations.

Can he confirm the existence of such a letter and can he confirm that the impact on the Ontario Arts Council, for example, will be a net cut for 1983-84 of more than 13 per cent in its budget?

Hon. Mr. McCaffrey: Mr. Speaker, Mr. Webber did write a letter to each of the agencies of my ministry. I do not have the full letter here, but I would be happy to bring it in and share it with the leader of the third party and all members of the Legislature.

There is no question that the figure 15 per cent was used in the letter. I do not want to get into an interpretative—

[Interruption.]

Mr. Speaker: Order. I must caution whoever that is that there will be no demonstration and no participation. Otherwise, you will have to leave the gallery.

Hon. Mr. McCaffrey: I do not want to get into the business of interpreting a letter which nobody has in front of him at the moment—

[Interruption.]

Mr. Speaker: Order. Will you please remove that person?

Ms. Copps: It's just a flat tire.

Mr. Speaker: It sounds like it. Sergeant at Arms, will you check and see if security is up there, please? I cannot see because of the lights.

Hon. Mr. McCaffrey: Mr. Speaker, as I was saying, I do not want to get into the business of trying to interpret a letter none of us has in front

of him at the moment, but I would be happy to do that.

It was clearly the intent in that communication that each of the agencies be asked what it would do, in a worst-scenario situation, to cope with a 15 per cent reduction. I do not want to quibble about whether Mr. Webber's letter could have been interpreted to say, "You are getting 15 per cent less," or whether it was as I phrased it. The way I phrased it is the way it was intended.

I think it is terribly important to recognize two things. Each agency of the ministry is fundamentally different from the others. Can I elaborate in this way? At the very least, the Royal Ontario Museum, the Art Gallery of Ontario and the Ontario Science Centre, for example, each has opportunities to speak to the revenue problem. It may be through admission. In some cases, it is as simple and straightforward as charging for parking, that being an opportunity for the Royal Botanical Gardens. In some instances, it is question of perhaps charging a modest admission fee which was never in place before. I say again that some of those agencies have that kind of flexibility. The Ontario Arts Council has no such flexibility; no one recognizes that better than I do.

Here is what appears to be the anomaly: We have asked all of them, "In a worst scenario, how could you cope with 15 per cent?" Is the implication that each of the agencies will be cut back 15 per cent? The answer is no. Is the implication that each agency will be cut back the same amount? The answer is no, recognizing the differences, as I said, particularly in the case of the arts council.

It is absolutely essential that the leader of the third party and all the rest of us understand that agencies and ministries will share together in this restraint.

2:40 p.m.

Mr. Rae: In terms of sharing and this so-called restraint, what the ministry is clearly talking about, and I have not heard a denial from the minister, is a cutback in the amount of transfer payments and the amount of payments that are going to the Ontario Arts Council. What it is talking about, for example, if I understand the projections that were attached to the letter and have been discussed with members of the Ontario Arts Council, is a cutback of as much as \$2 million.

Is the minister not aware of the direct relationship between these cutbacks and a dramatic increase in unemployment in the arts field? Is he

not aware that this is the only implication of the cutbacks his ministry now is attempting to impose on the arts council and other agencies?

Hon. Mr. McCaffrey: If the arts council were to be cut back by 15 per cent, it would represent a loss to them of something on the order of \$2 million over last year. I submit that if that happened, the results for the Ontario Arts Council's clients would be more severe than the horrible spectre of increased unemployment.

It is important for us to recognize that for some 19 years the Ontario Arts Council, with taxpayers' dollars, has played a very important role in identifying, fostering and supporting creative talent in a variety of disciplines in Ontario. To alter that would be more serious than any potential short-term unemployment; I believe that.

I say again that each of the agencies will have to share in this cutback; I cannot pretend otherwise. But I repeat that some agencies have a greater opportunity to cope, using other devices available to them, than does the Ontario Arts Council.

I cannot be more specific than that. I am not being coy. The arts council is going to be treated with the full delicacy and commitment that it requires.

Mr. O'Neil: Mr. Speaker, the minister is still beating around the bush. We are asking him whether they are going to be cut back by 15 per cent. Surely he understands that many of these agencies have already had to cut back over the past two or three years because of increased costs and all these other costs. Are they going to be cut back by 15 per cent? If so, why?

Hon. Mr. McCaffrey: Mr. Speaker, let us take the mystery out of this. The budget for the Ministry of Citizenship and Culture for the next fiscal year has not been finalized. The budget for the Ministry of Citizenship and Culture for the next fiscal year will be reduced, as is the budget of virtually every ministry, to cope during this period of restraint.

Mr. Wildman: But yours more than others.

Hon. Mr. McCaffrey: As to whether the Ministry of Citizenship and Culture will be reduced more than others and whether the Ontario Arts Council will suffer as much as other agencies, the answers to those two questions have not yet been established.

Mr. Rae: I am not sure the minister has done very much to clear up the mystery. It seems to me the people whom the minister has to convince as to the worth of the Ontario Arts

Council and the importance of culture and citizenship in the province are not on this side of the House; they are on that side of the House. That is where the minister has lost his battle.

Mr. Speaker: And now for the question.

Interjections.

Mr. Speaker: Order.

Mr. Rae: I ask the minister to pose this question in cabinet the next time he is there or the next time they are discussing the proposed \$22-million cut in his budget: is the Ontario government saying that an unemployed actor is any less unemployed than an unemployed auto worker?

MIDLAND LANDFILL SITE

Mr. Rae: Mr. Speaker, my second question is to the Minister of the Environment.

Mr. Gordon: I hope it is better than the last one.

Mr. Rae: People seem a little jumpy over there. I do not know what their problem is. The member for Sudbury (Mr. Gordon) seems a little jumpy. I do not understand his difficulty.

Interjections.

Mr. Speaker: Order.

Mr. Rae: My question is to the Minister of Energy—

Interjections.

Mr. Speaker: The Minister of the Environment.

Mr. Rae: The Minister of the Environment; excuse me. It concerns the Eric Pauzé landfill site in Midland. I am sure the minister is aware that a study by his own ministry indicated in February 1981 that the Eric Pauzé landfill site might pose some problems in view of the fact that it had been used for some 10 years as a dump site not only for municipal waste and garbage but also for industrial waste.

Why did it take his ministry from February 1981, when this landfill site was identified as a potential problem, until April 1982 before the ministry began to conduct surveys, studies and tests of potentially contaminated wells, many of them used for drinking water by private citizens in that area?

Why did it take his ministry more than a year before it began to carry out those studies? And why did it take the ministry more than three months before informing Mrs. Jean Therrien of the fact that her well was contaminated with a substance at a rate more than 10 times as great as the acceptable limit?

Why did it take the ministry that length of

time to carry out the tests? And why did the ministry delay to such an extent before informing Mrs. Therrien of the health danger that she was running by drinking the water in the condition she was forced to drink it in?

Hon. Mr. Norton: Mr. Speaker, I am sure the honourable member realizes that in a situation like this, when such information does come to our attention, that action involves discussions with the municipality, which in this case had a very real interest in that site. There were a number of meetings with the municipality on the matter and testing was undertaken.

In terms of the delay the member cites with respect to notifying an individual, I point out that as far as the testing is concerned, it is not the sort of thing you can do in a day or two. In fact, the use of the mass spectrometer and the process that is required in those tests sometimes takes two or three weeks to complete. When the initial results are in, it is very often difficult to interpret the specific meaning because of the very close relationship between the atomic mass of some of these substances. As a consequence, corroborative testing is often necessary, as it was in this case.

As soon as that information was available, we did notify the residents whose wells appeared to have been impacted. There were three, I believe. A fourth person was advised that although that person's well does not appear at this point to have been impacted, it is in the vicinity that might suffer impact and, therefore, that person was advised to exercise caution.

Mr. Rae: On that point, the minister must know that the test results come from July 19, September 23, October 18 and November 4. There is really no significant variance in terms of the amounts that were actually found: 326 parts per billion of trichloroethylene found on July 19 and almost exactly the same result found on November 4. I hope the minister will agree that it would have been better if Mrs. Therrien had been informed right after July 19 of the risk she was running.

What concrete plans does the ministry now have to stop the chemical plume in its slide towards Georgian Bay? The minister will know the evidence suggests that it has already moved halfway from the site towards Georgian Bay. Do these concrete, specific plans include purge well pumping to stop that slide?

2:50 p.m.

Hon. Mr. Norton: I presume that is one option in a situation like this. It has been used

successfully in other similar situations. At this point, I cannot say precisely that will be the best way in which to deal with this. We are awaiting further word from consultants who are working on the problem, and I expect we will have a strategy in place in the relatively near future for dealing with the specifics.

We are aware of the extent of the plume and its location. The testing will continue to monitor other wells in the area. We have had public meetings with the residents to alert them, even those who are not impacted at this point. We will continue to take a very open approach in terms of sharing all the information we have with the public. Any movement of the plume also will be monitored to the best of scientific ability. I expect that relatively soon we will have some options as to the best technical approach to deal with any movement of that plume.

Mr. Kerrio: Mr. Speaker, I have had an ongoing concern about the enacting of some legislation regarding the monitoring of wells in and around known dump sites in Ontario. When might the minister consider making this mandatory around every known site, as well as having stiff penalties for those not living up to that kind of monitoring of wells so we know when any substances are being transported through the aquifer, through the plume and in any other way towards our water sources and wells?

Does the minister not think the time is long past when every known site should have the kind of wells around its perimeter that would allow his ministry to know when those toxic chemicals are moving from the storage areas?

Hon. Mr. Norton: Mr. Speaker, I do not believe there is any need for new legislation. What the honourable member is asking for is now almost a standard requirement, and in fact I believe it is on certificates of approval for new sites or for any operating sites as well.

In terms of closed sites, in contrast to other jurisdictions we in Ontario have been looking over the past couple of years for sites that predated any involvement on the part of government in waste management, going back even to the latter part of the 19th century.

In any case where we can identify any reason for concern about those sites, measures of that nature will certainly be taken and any necessary remedial action will be taken. We are not going to sit idly by while a potential problem becomes a real problem. What we are doing at present effectively meets what the member is requesting and no further legislation is necessary.

Mr. Rae: In addition to the steps he says he is going to be taking with respect to the chemical plume and the future testing of other potentially contaminated wells in the area, I wonder whether the minister can assure the House that his ministry is prepared to take direct responsibility and provide those residents whose wells have suffered and been contaminated with safe drinking water?

Is he prepared to make that commitment rather than just give the kind of advice the ministry has given, such as boiling, using carbon filtration and so on? Does he not think his ministry now has a direct responsibility to provide safe drinking water for those people?

Hon. Mr. Norton: On the basis of the very best advice that has been available to me, and to the residents as well, a carbon filtration device that can be installed will remove the two offending chemicals that have been detected. There does not appear to be any wide range of chemicals involved here.

Obviously it would be my opinion at this point that it is the ultimate responsibility of whoever is responsible for the problem to pay. In the interim, that ought not to prevent the residents from proceeding, and if any are suffering hardship we will certainly try to help them out.

GUELPH CORRECTIONAL CENTRE

Mr. Worton: Mr. Speaker, I have a two-part question for the Minister of Correctional Services. I wonder whether the minister will be good enough to bring in a full report to the Legislature in regard to comments that were made by the public institutions inspection panel which indicate they are shocked by the layout of the cells at the Guelph Correctional Centre. It is a 15-page report that was made to the county court judge, Edward McNeely.

The second part of my question refers to a former inmate who is suing the ministry for wrongful imprisonment. If this is before the courts, I would appreciate it if the minister would let me know.

Briefly, it concerns an inmate who was president of the Jaycees at the Guelph Correctional Centre. In 1979, he was invited to participate in a social and fund-raising dinner for the former Minister of Correctional Services. After attending that dinner, he was so enlightened about free enterprise, he left there and for two and a half years wandered throughout the United States and was picked up in New Mexico. He has now come back, has indicated that he felt he had been in jail too long and has taken the ministry

to court. I would like to know whether the minister will bring me a full report on the matter.

Hon. Mr. Leluk: Mr. Speaker, in answer to the first question, I have not seen the report of the panel to which the honourable member has referred. I will certainly look into it and report back to him.

With respect to the second question, I am not familiar with the case to which the member has referred. As he said, this took place prior to my becoming minister of this particular portfolio. I will certainly look into that matter and get back to the member.

Mr. Worton: As of this date, is the minister aware that the ministry has been taken to court?

Mr. Speaker: Is that your supplementary?

Mr. Worton: Yes. What I would like to know is, has the ministry been taken to court at this time? Were charges laid, or is the ministry being sued for wrongful imprisonment?

Hon. Mr. Leluk: I am not aware of this case. I will have to get that information and get back to the member.

VEHICLE REGISTRATION

Mr. Swart: Mr. Speaker, I want to ask the Minister of Transportation and Communications whether it is not true that under his new motor vehicle registration system the amount paid by private motorists for their registration and plates during the year 1983 will not be \$48 but will vary from \$52 to \$96, paid either in one or two instalments, depending on the month of their birth.

Does this change of system not mean that 3.75 million private car owners in this province will pay between \$80 and \$90 million more during 1983 than they would if he had continued the present system, requiring all plates to be purchased by the end of February?

Hon. Mr. Snow: Mr. Speaker, I cannot comment on the honourable member's suggestion of \$80 million or \$90 million in increased revenue. It is my understanding that with the uniform fee, the total revenue that will be collected by the Treasurer (Mr. F. S. Miller) actually is almost identical to, if not one per cent or some such figure less than, what would have been collected under the old system.

I will have to read Hansard to get the first part of his question before I can comment on the number of months. As far as I know, there are still 12 months in a year—

Mr. T. P. Reid: Check Larry's calendar. There may not be.

Hon. Mr. Snow: I do not know. The way calendars are these days, they are not too reliable.

Hon. Mr. Grossman: They are expensive. For \$200 I will give you one.

3 p.m.

Hon. Mr. Snow: I have to have a better understanding of what the honourable member is really asking me before I could answer the question.

Mr. Swart: I would have thought the minister would have known more about his own system. Does he not realize that during this coming year some car owners will be paying as much as 23 months' car insurance during 1983? In recognition of this huge bonanza that he is going to get in 1983—

Mr. Speaker: I do not think insurance has anything to do with the Minister of Transportation and Communications.

Mr. Swart: I will correct that—licence fees. In recognition of the huge bonanza that he is going to get, I hope he will come back to the House and admit he is taking \$80 to \$90 extra from motorists this coming year.

Even though Bill 179 says that increases in government fees and licences are going to be limited to five per cent, and recognizing that the present licence plates are valid until the end of February 1983, why does he not start his \$4 monthly birthdate system on March 1, 1983, so he does not double bill motorists, and let them keep at least \$30 million of the \$90 million extra he is going to take from them?

Hon. Mr. Snow: First of all, I would like to inform the honourable member that the licence fee for the present 1982 registration is not valid until the end of February, that licence is valid until December 31, 1982. That is the way it has always been and it has not been changed at all. There has always been a two-month period of grace allowed for the renewal to be made. The licence expires December 31.

Mr. Cunningham: Mr. Speaker, is the minister prepared to look into complaints by motor vehicle dealers who are alleging that the new plates are somewhat more expensive than they were in the past and there are some technical difficulties, particularly for used car dealers, in getting the plate to the vehicle and the vehicle back from various auctions across the province,

auctions which may occur under the auspices of his own ministry?

Hon. Mr. Snow: Mr. Speaker, I would be glad to look into any complaints the automobile dealers have if they would send them to me. I certainly have not heard from them.

TILE DRAINAGE

Mr. Riddell: Mr. Speaker, I have a question of the Minister of Agriculture and Food. The minister has been speaking for some time now about increasing agricultural production in northern and eastern Ontario, and the Board of Industrial Leadership and Development program promised the establishment of a fund to be used for the installation of tile drains in approximately a million acres of land in northern and eastern Ontario.

If the BILD program has any credibility and if the minister is indeed interested in bringing into production more land in northern and eastern Ontario, is he aware that his colleague the Minister of Natural Resources (Mr. Pope) has withdrawn his approval for the repair of the short drain in Mariposa township, Victoria county, which runs through prime agricultural land?

In view of the fact that this project was approved by the Minister of Natural Resources on October 13, 1982, along with the approval of the Minister of Agriculture and Food, the local council and the federation of agriculture, and in view of the fact that a contract for the work had been awarded by the local council, can the minister assure us that he will personally intervene to see that this drain is repaired and to tell his colleague to stop being influenced by a few anglers who say that the flooding of this agricultural land is providing spawning grounds for muskies?

Hon. Mr. Timbrell: Mr. Speaker, first of all, yes, I am aware of the government's commitment to northern and eastern Ontario and I would just remind the member that this year we have substantially increased the allocation of funds for tile drainage in eastern and northern Ontario. In fact, we were able to indicate to the municipalities in the east and north that we were able to meet 100 per cent of their requirements as outlined to us recently, again in eastern and northern Ontario.

On top of that, of course, we have provided additional assistance to eastern and northern Ontario through the northern Ontario rural

development agreement and through the eastern Ontario subsidiary agreement—

Mr. Riddell: The Mariposa drain, Dennis.

Hon. Mr. Timbrell: You started your question talking about commitment to eastern and northern Ontario. I am just trying to give you a complete answer, my friend. That is all I am trying to do.

Perhaps I would have been more interested in the question about Mariposa if it had come from the member for Victoria-Haliburton (Mr. Eakins); but yes, I am quite aware of the Mariposa shore drain. In fact, a few months ago the council of the township came in to see me about it, and after that meeting some meetings were convened locally, involving representatives of the council, representatives of the anglers and hunters association and representatives of the local federation of agriculture, and it seemed at the time that they had reached an accommodation. The interests of the farmers and the interests of the anglers were accommodated in an arrangement that led to the granting of a contract.

My colleague the Minister of Natural Resources gave an approval under a piece of legislation the name of which escapes me right at this moment. That approval was lifted awaiting the advice of the new council. As I understand it, if the new council confirms the decision of the outgoing council, then the contract will proceed; if not, then it will not. It is one of these admittedly difficult situations, but it has been going on for seven years.

Mr. Eakins: Even though the bylaw has been passed? The bylaw has been passed by the township.

Mr. Speaker: Order.

Hon. Mr. Timbrell: To answer the member for Victoria-Haliburton, through the member for Huron-Middlesex, the matter is in the hands of the local council, and whatever its decision is it will be final.

Mr. Riddell: I cannot believe this. The minister is aware that this drain is located in an agricultural area and that the flooding caused by the blockage of the drain removes hundreds of acres of potentially productive land from agricultural use. He is also aware, I am sure, that this is an approved drainage system under the Drainage Act—as a matter of fact, it is a natural waterway—and that over the last number of years the petition has been reviewed by the courts and the drainage referee, and that all decisions have been favourable to the petitioners.

The minister is also aware, I am sure, that the

approval given on October 13, 1982, contained conditions for environmental safeguards if, indeed, there are muskies there—

Mr. Speaker: If the minister is aware, please do not repeat it.

Mr. Riddell: So why has this approval been rejected by the Minister of Natural Resources? If the previous council passed the bylaw and everything was ready to go ahead, why is the minister now saying it is going to be left to the discretion of the new council whether that drain is going to be repaired? If the new council says, “No, we are not going to repair it,” is the minister going to sit idly by and allow all this land to be flooded instead of brought into production as he wants to do?

Hon. Mr. Timbrell: Let's just hold on a second. The member makes it sound as though the sentiment locally is unanimous among the farmers. I am well aware that if this goes ahead certain amounts of land will be improved; but I am also well aware, and the member should be if he is not, that there are probably as many or more farmers locally who are opposed to the work proceeding.

Hon. Mr. Pope: Go and do your homework.

Mr. Riddell: Because of cost.

Mr. Speaker: Order.

Mr. Riddell: Because of the cost factor only.

Hon. Mr. Pope: No. You do not know about it.

Mr. Speaker: Order.

Hon. Mr. Timbrell: Let's just have that clear and on the record. It is by no means unanimous locally. In fact, I am told it formed the issue in the local municipal elections, in which all but one member of council was defeated. As the member knows, under the legislation—

Mr. Riddell: Indicating there may be a conflict of interest.

Hon. Mr. Timbrell: That may well be why the local member has not taken a position; I do not know. But as he knows, under the legislation if the council decides not to proceed, that is its right and that is final. We cannot—

Mr. Riddell: The council decided to proceed.

Mr. Speaker: Order.

Mr. Riddell: It awarded the contract.

Hon. Mr. Timbrell: We cannot force the council to proceed.

3:10 p.m.

Mr. Speaker: I think the minister has answered the question.

Hon. Mr. Timbrell: I have more, if you would like to hear it.

Mr. Speaker: No, I think we have heard enough.

Mr. Riddell: You really are not interested in bringing land into production, are you?

Mr. Speaker: If the member for Huron-Middlesex wants to continue this debate, I would ask him to please continue it outside the House.

MALETTE LUMBER DISPUTE

Mr. Mackenzie: Mr. Speaker, I have a question for the Minister of Natural Resources. Is the minister aware that in 1982 alone the Malette Lumber company, owners of Waferboard in Timmins, has received more than \$790,000 from taxpayers in government assistance, about \$387,000 of it from the province? Is he aware that this company: locked out its employees, members of the Canadian Paperworkers Union, on November 12 when they rejected the company offer; and rejected as well the last company offer, a rather bizarre request from the company that they conduct a strike vote; and is acting in a manner that can only be designed to destroy the workers' union in that plant? Can he tell us what he is doing to resolve this situation and assure us that tax dollars are not going to be used to destroy a workers' union?

Hon. Mr. Pope: Mr. Speaker, I do not know what tax dollars the honourable member is referring to. Is he referring to section 38 funding?

Mr. Mackenzie: I am talking about the assistance this company has had.

Hon. Mr. Pope: Section 38 funding to put unemployed bush workers to work. That is what he is talking about. He would not want these bush workers to go to work. That is a very interesting position for the socialist party to take.

Mr. Mackenzie: It is obvious the minister totally ducked the question. Is he afraid of it? I am going to ask him a very simple one. Is he prepared to ask his colleague to immediately appoint a disputes advisory committee in this nasty situation, which yesterday saw the workers taking over that plant and which is poised for some real problems up there?

Hon. Mr. Pope: No; the member can put his request to the Minister of Labour (Mr. Ramsay).

The member is no doubt aware that I received a request from the—

Mr. Mackenzie: You know what happened.

Mr. Speaker: Never mind the interjections please.

Hon. Mr. Pope: —union president to do what I could to get negotiations started again. In fact, they met at my instigation on Monday afternoon and Tuesday morning of this week in an attempt to resolve their differences. I cannot get involved in a collective bargaining process.

If the member has a request for the Minister of Labour to do something, please put it to him. I have tried to respond in a responsible way to the request of the union president. To some degree I was successful; to some degree I was not. I am not going to ask for the termination of make-work projects, which are assisting some of the families in the Timmins area, because there is a labour dispute.

GAS LINES FOR RURAL COMMUNITIES

Mr. G. I. Miller: Mr. Speaker, I have a question for the Minister of Energy. Does his ministry have any programs to provide natural gas lines to rural parts of Ontario and rural communities?

Hon. Mr. Welch: Mr. Speaker, in addition to the regular programs where applications are made for the extension of service—the honourable member will be familiar with those—there is, of course, the federally sponsored program for the expansion of the distribution system. Ontario has received some notification with respect to its share under that program and the companies are preparing their applications accordingly. If the member would like some information about a particular area of the province and where it stands in the priority of things, I would be very happy to look that up for him.

Mr. G. I. Miller: We do have a great need for energy in the tobacco industry. There are particular areas where 15 to 20 farmers would like to hook on the line, to utilize it to keep their costs down. Is there any funding to promote that from the ministry?

Hon. Mr. Welch: If the member will let me have some particulars with respect to the actual location, I will have that followed up for him.

NUCLEAR PLANT SHUTDOWN

Mr. Foulds: Mr. Speaker, I have a new question for the Minister of Energy. Does the minister not find it rather alarming that unit 2 of

the Bruce A nuclear station has been shut down since October 29, some five weeks, because of a leak in one of the reactor's 480 pressure tubes, and that Ontario Hydro seems to have been unable to locate the leak for this extraordinary length of time?

Hon. Mr. Welch: Mr. Speaker, I think the first concern must be the whole question of public safety. No doubt the honourable member will agree that has to be the top priority. I am sure once the problem has been located things will be back to normal. I do not have any particular explanation as to why it is taking more time than usual under the circumstances.

Mr. Foulds: Why would the minister not ask, when there is a shutdown at this plant, one which was shut down for a five-day period previously this year for the same problem and which it took 70 people to fix? Does he not think the inability of Hydro to find the leak indicates a vulnerability in the production of nuclear power of which the province had not previously been aware?

Hon. Mr. Welch: No.

FRENCH-LANGUAGE SERVICES

Mr. Roy: Mr. Speaker, I have a question for the Minister of Intergovernmental Affairs if I can get his attention. I wonder if the minister could tell us if he and his colleague the Attorney General (Mr. McMurtry) are advocating government policy when they say it is their expectation and hope that the government of this province will guarantee French-language rights and services within our new Canadian Constitution. Is that government policy?

Would he tell us how that squares with some of the policies and statements made by the Minister of Education, who consistently refuses to establish a French-language school board in Ottawa, or his colleague and my dear friend the member for Ottawa West (Mr. Baetz), who says there is no problem with minority language rights in Ontario, and possibly the other colleague behind the minister, the member for Ottawa South (Mr. Bennett), who says there is no problem? Is the minister not playing what is called a little game and what my dear friend and respected journalist Claire Hoy calls playing both ways on bilingualism?

Hon. Mr. Wells: Mr. Speaker, the answer is no. I would suggest my friend from Ottawa East reads the transcript for the night when this little discussion took place. It was a good discussion

and I was sorry the member was not here for that part of the discussion.

Mr. Roy: I was here for most of the other nights.

Hon. Mr. Wells: I was stating what I thought were some of my personal expectations, opinions and goals before I left this particular responsibility. One of those goals has been indicated by the member. It is a personal goal to which I still hold and I do not intend to discuss it. It is certainly not presented in the form of government policy. It is not an official government statement. It is the opinion of the minister responsible for French-language services in this government.

Mr. Roy: I am sure you will understand, Mr. Speaker, that some of us have duties in our ridings. Unlike some of the members on that side, the people in my riding—

Interjections.

Mr. Speaker: Order. Supplementary question, please.

Interjections.

Mr. Speaker: Order. If the member for Ottawa East will just ask his question without the benefit of any—

Mr. Roy: Mr. Speaker, the only matter I wish to mention is that the people of Ottawa East are pleased to see the member for Ottawa East in the riding, unlike some of the other members across the way.

Mr. Speaker: And now for the question, please.

Interjections.

Mr. Speaker: Order. Please proceed.

Mr. Roy: What is wrong? Did they take away his limousine?

Mr. Speaker: Was that the supplementary?

Mr. Roy: No.

Mr. Speaker: Then get on with it.

Mr. Roy: I am sorry about that.

To try to get some consistency from the party on that side, I would like to ask the minister, how does it jibe when he in the House and his colleague the Attorney General in Ottawa make statements, as they have, about guaranteeing rights in the Constitution on one hand, and on the other the member for Parry Sound (Mr. Eves) is sort of agitating the community in opposition to a French-language school in his riding?

3:20 p.m.

Interjections.

Mr. Speaker: Order.

Mr. Eves: On a point of personal privilege, Mr. Speaker: I have never agitated my community against the francophone French-language entity. For the honourable member's information, as the Minister of Education (Miss Stephenson) reported in this House a week ago, there was a—

Mr. Bradley: Setup question.

Mr. Eves: By your own member. There was a study conducted by the Nipissing Board of Education in the summer of 1981 of each and every francophone resident in the town of Mattawa and they voted 83 per cent against a French-language entity school in Mattawa. The francophone community is deciding for itself.

Mr. Roy: Mr. Speaker—

Mr. Speaker: Now a supplementary please. Interjections.

Mr. Speaker: Order.

Mr. Roy: I should be congratulated for waking up that bunch over there.

Mr. Speaker: I would rather congratulate you for asking a question. We are running out of time.

Mr. Roy: If I may continue with my question, is the minister prepared to accept the recommendations of some of his senior officials and of a report presented to him in Sault Ste. Marie which said that there should be no problem in either guaranteeing the rights in the Constitution or accepting a bill like the one I presented back in 1978 guaranteeing these rights by way of legislation? Is he prepared to accept this report, which was commented on by our friend Eric Dowd in a column in August 1982?

Hon. Mr. Wells: I think I answered that question a few minutes ago. I said exactly in what context I made my remarks. Notwithstanding anything my friend says, the record of this province in providing French-language education is second to none in Canada. There is no problem with that.

I do not dispute the fact that the people in Ottawa East are very happy to see the member there. I have had a few calls and the people from Ottawa East, and indeed all of Ottawa, are very happy to see Omer Déslauriers in a very important job in Brussels.

PETITIONS

MUNICIPALITY OF METROPOLITAN TORONTO AMENDMENT BILL

Mr. G. I. Miller: Mr. Speaker, I would like to

present a petition to the Lieutenant Governor and the Legislative Assembly of Ontario from 252 constituents of Haldimand-Norfolk. It reads, "We the undersigned beg leave to petition the parliament of Ontario as follows: We request that the honourable members seek the withdrawal of Bill 127, An Act to amend the Municipality of Metropolitan Toronto Act."

[Later]

Mr. Riddell: Mr. Speaker, I have a petition with 78 signatures to the Honourable the Lieutenant Governor and the Legislative Assembly of Ontario. "We the undersigned beg leave to petition the parliament of Ontario as follows: We request that honourable members seek the withdrawal of Bill 127, An Act to amend the Municipality of Metropolitan Toronto Act." And I certainly support this petition.

SCHOOL FACILITIES

Mr. Philip: Mr. Speaker, I have a petition to the Lieutenant Governor and the Legislative Assembly of Ontario from 1,400 constituents of Etobicoke, which reads as follows:

"We the undersigned separate school supporters in the area of St. Dorothy's Catholic school in the borough of Etobicoke beg leave to petition the parliament of Ontario as follows:

"Whereas the generated pupil population of St. Dorothy's Catholic school is 177 per cent over the Ontario Ministry of Education's defined pupil capacity and the Ministry of Education has refused to respond to the inherent demands of young, innocent children who are housed in semi-permanent, relocatable, portable units, although the Minister of Education has committed herself to newly established growth areas, we request that the Legislative Assembly give consideration to ways of providing adequate school facilities for our children."

WORKMEN'S COMPENSATION

Mr. Rae: Mr. Speaker, on a point of order: If I am not mistaken, on November 16 of this year the Minister of Labour indicated the government would be introducing changes to the Workmen's Compensation Act in order to give workers who are on workmen's compensation a modicum of an increase in response to the dramatic increase in—

Mr. Speaker: I must point out to the honourable member that is not a point of order.

Mr. Rae: If I may just complete it. It raises,

for the attention of the government, and for the attention of the government House leader—

Interjections.

Mr. Speaker: Order.

Mr. Rae: I can understand the embarrassment of the government—

Mr. Speaker: Will you make your point of order please?

Mr. Rae: The point of order is this, Mr. Speaker: The Minister of Labour stated on November 16 that workers should be entitled to an increase. He should know that workers have been coming to this assembly—

Mr. Speaker: That is no point of order.

Mr. Rae: —for two days a week.

Hon. Mr. Wells: Mr. Speaker, as a matter of information, I might inform the leader of the third party that if he would like to put that question to the Minister of Labour tomorrow, I am sure he would get an answer. The minister is in Ottawa today with the Treasurer (Mr. F. S. Miller), signing an agreement on job creation programs.

REPORTS

STANDING COMMITTEE ON REGULATIONS AND OTHER STATUTORY INSTRUMENTS

Mr. Eves from the standing committee on regulations and other statutory instruments presented the following report and moved its adoption:

Your committee begs to report the following bill with certain amendments:

Bill Pr47, An Act respecting the Ukrainian Culture Centre.

Motion agreed to.

STANDING COMMITTEE ON RESOURCES DEVELOPMENT

Mr. Andrewes from the standing committee on resources development reported the following resolution:

That supply in the following amounts and to defray the expenses of the Ministry of Industry and Trade be granted to Her Majesty for the fiscal year ending March 31, 1983:

Ministry administration program, \$7,229,500; industry division program, \$17,281,000; trade division program, \$11,432,000; industrial incentives and development program, \$32,942,000.

STANDING COMMITTEE ON GENERAL GOVERNMENT

Mr. Barlow from the standing committee on

general government reported the following resolutions:

That supply in the following amount and to defray the expenses of the Office of the Ombudsman be granted to Her Majesty for the fiscal year ending March 31, 1983:

Office of the Ombudsman program, \$5,124,000.

That supply in the following supplementary amount and to defray the expenses of the Office of the Ombudsman be granted to Her Majesty for the fiscal year ending March 31, 1983:

Office of the Ombudsman program, \$96,000.

INTRODUCTION OF BILLS

POWER CORPORATION AMENDMENT ACT

Hon. Mr. Welch moved, seconded by Hon. Miss Stephenson, first reading of Bill 197, An Act to amend the Power Corporation Act.

Motion agreed to.

3:30 p.m.

RESIDENTIAL COMPLEXES FINANCING COSTS RESTRAINT ACT

Hon. Mr. Elgie moved, seconded by Hon. Mr. Baetz, first reading of Bill 198, An Act to provide for an Interim Restraint on the pass-through of Financing Costs in respect of Residential Complexes.

Motion agreed to.

Hon. Mr. Elgie: Today, I am introducing for first reading the Residential Complexes Financing Costs Restraint Act, a bill that was born out of the controversy surrounding the much-publicized sale and resale of about 11,000 rental units originally owned by the Cadillac Fairview Corp.

In brief, this bill limits to a maximum of five per cent that portion of a rent increase attributable to increased financing costs claimed by a landlord as a result of his purchase of a residential complex. As most of the members already know, this is one of four steps I have taken to deal specifically with the Cadillac Fairview transaction and, in general, with the overall rent review situation at this time.

To refresh the members' memories, the Residential Tenancy Commission has also adopted a number of modifications to its interpretation guidelines to deal with increased financing costs resulting from a sale. In addition, the ministry has set up an inquiry into the adequacy of existing laws regulating rents and has estab-

lished a further inquiry under the Loan and Trust Corporations Act into a number of trust and mortgage companies involved in different ways with various transactions arising out of the Cadillac Fairview sale itself.

The Residential Complexes Financing Costs Retraint Act applies to all applications by landlords to the Residential Tenancy Commission where the application is made after October 31, 1982. It also applies to all applications where the resulting hearing is held after the date that this act comes in force and involves a residential complex that has been purchased more than once since October 31, 1979, or approximately within the last three years.

To eliminate any confusion, the term "purchase" has been clearly defined to confirm that it includes the acquisition, whether by transfer or assignment or otherwise, of any interest in an option to purchase or in an agreement to purchase a residential complex.

The Residential Tenancy Commission, when determining the total rent increase for a residential complex, may allow as a component of that total increase an amount equal to no more than five per cent of the last lawful rent in respect of additional financing costs resulting from the landlord's purchase of the residential complex.

I want to emphasize that these approved cost pass-throughs resulting from such a purchase may not always equal even five per cent. The commission may approve an increase attributable to the purchase of a complex of something less than five per cent if such a smaller percentage is all that is justified.

Because the five per cent cap is the maximum increase allowed by the legislation for that part of a rent increase attributable to increased financing costs arising from a sale, the operation of subsection 131(3) of the Residential Tenancies Act is suspended in its regard for relieving the financial hardship that a landlord may experience as a result of increased financing costs attributable to the purchase of a residential complex.

In addition, the operation of subsection 131(4) of the Residential Tenancies Act is also suspended for the life of this act. This subsection had previously allowed the commission, when apportioning a total complex-wide rent increase among the individual rental units, to equalize the rents payable by tenants in similar units in the complex. In other words, for the purposes of this act, and for the life of this act, all of the tenants in the

same residential complex shall experience the same percentage increase in their rent.

This act will come into force the day after it receives royal assent, and will remain in force until the last day of December 1983. Despite its repeal on that date, however, the act will remain in force to allow the commission to continue to hold hearings and issue orders on applications for rental increases made on or before December 30, 1983.

I feel that this legislation addresses a very difficult and at times confusing situation. I believe the bill will provide reasonable interim measures until we receive the report of the Thom commission. It will provide relief for tenants whose rents will be affected by cost increases arising out of a sale of the residential complex.

Equally important, the bill should give a clear signal to those entrepreneurs who wish to speculate in residential tenancies that the tenants will not be made the victims of their schemes.

CERTIFIED GENERAL ACCOUNTANTS ASSOCIATION OF ONTARIO ACT

Mr. Williams moved, seconded by Mr. Lane, first reading of Bill Pr50, An Act respecting the Certified General Accountants Association of Ontario.

Motion agreed to.

ORDERS OF THE DAY

PRIVATE MEMBERS' PUBLIC BUSINESS

FAIR PRICING ACT

Mr. Mackenzie moved second reading of Bill 184, An Act to provide for the Fair Pricing of Products and Services sold to Consumers in Ontario.

Mr. Speaker: I would like to remind the honourable member that he has up to 20 minutes for his presentation and may reserve any portion of it, as he may see fit, for his windup.

Mr. Mackenzie: Mr. Speaker, I rise in support of Bill 184, An Act to Provide for the Fair Pricing of Products and Services sold to Consumers in Ontario. It is a genuine and practical effort to help people cope with the law of the jungle that seems to exist in consumer pricing today. It seems that for every legitimate price, or price that is effectively controlled by the marketplace, there is a price that bears no relation to its cost, a price that is manipulated through fixing

or simply a price the market will bear or that the sellers can get away with in terms of the product they are selling.

There are a number of examples, both in products and services. One example is the gouging of tenants. The profit ripoff in apartment flips being passed on to tenants is a perfect example of the law of the jungle we have seen in practice in prices in Ontario. What is even more obscene, as far as I am concerned, is this government's lack of concern or willingness to do anything to stop the gouging in any individual service or product. It does not stop the gouging of people until a case is made that is so obvious and blatant it literally forces the Conservatives to take some action.

When they do move, it seems the only consideration in many of the bills is how little they can do and how little they can get away with doing in terms of legislation or controls. The reason is obvious. The members across the way are the rather unashamed handmaidens of private enterprise. For the Tories in Ontario, business seems always to come before the people of this province.

Food prices are another example of what I see as Conservative priorities. The farm community and many produce areas argue that the price received at the farm gate bears little or no relationship to the price paid by the consumer. My colleague the member for Welland-Thorold (Mr. Swart) is effectively continuing the long-standing fight by this party to get at the sanctity and the secrecy of the middleman and the huge chains with their markups on food products. Getting answers is often harder than pulling hens' teeth. Getting action seems to be almost impossible.

Tory Ontario knows who its friends are and seems to be pretty well organized in the big money field.

3:40 p.m.

I want to give a couple of examples that struck me as we were doing a little bit of work on this situation. I am not sure if these examples have been used previously by my colleague. Recently we were checking into the price of apple juice to back up this point and we found that a can of apple juice on the supermarket shelves that was retailing for \$1.29 returned only 17 cents to the farmer involved. In the case of a \$1.15 can of beans, the farmer got 37 cents. We could use many examples, but these are certainly indications that something is drastically wrong with the price that is received by the primary producer in comparison with the price that the consumer pays in the marketplace.

In those public or quasi-public businesses or boards, the pricing policies never consider first what the public can afford or what might be fair, or even when it might be socially expedient to limit a price in view of what people can really afford and what are essentials or what is needed. That is never the consideration. It seems to be always a case of what costs and promotions can be passed through to the consumer and what profit can be added to those costs and, in the final analysis in many products, what they can get away with charging.

There are examples around, and the Ontario Hydro increases and Consumers' Gas increases are some of them. I notice that one of the examples used by my colleague the member for Welland-Thorold dealt with Consumers' Gas rates. In a release he put out on October 13, 1982, he makes the following point:

"Last February the Ontario Energy Board permitted increases which caused home heating rates to increase by 32 per cent between February 1981 and 1982. Consumers' Gas' own figures indicate that its net income after all taxes and interest payments would rise by 20 per cent in the year ending September 30, 1982." I use that as one of the many examples that members certainly can go to.

Then there is the perennial cry from Bell Canada for continual rate increases, and I would like to suggest that maybe, just for once, instead of us continuing to get the blind faith we seem to from across the House in their corporate buddies or in the value of the marketplace, this government should make an occasional comment about the potential merit of making the Bell operation really Bell Ontario.

It is just a suggestion. I know darn well we will never see that kind of action from a Conservative government, but just the suggestion would probably help to lower the price to the consumer and scare off some of the exorbitant increases we are always getting petitions about. It would probably do more than the total lack of government action has done to date; not only lack of action but lack of any real concern, as far as I can see, when you watch the constant battle we have over the kinds of price requests that are going on.

What is happening in the insurance field appears to be another example. I note in another release put out by our caucus that on August 16, Ted Belton, president of the Insurers' Advisory Organization of Canada, an agency of the insurance companies, said that rates would increase by 26 per cent this year after a

13.5 per cent increase last year. The chairman of the Insurance Institute of Canada, Ian Muir, predicted that there would be an increase of about 30 per cent starting this year. Whether or not we are actually going to hit that I do not know, but the fact is there seems to be no agency through which or no way the general public really has an opportunity to appeal these kinds of price increases.

My colleague the member for Welland-Thorold once again has fought a valiant fight for consumers over the escalating price of milk to consumers. He has underlined and contrasted the price increases to the farmers as against the larger percentage increase to the consumers. One thing that really caught my eye was that in making the case, my colleague pointed out what has really been happening to the dairy industry and to the concentration of control by fewer large companies.

I notice in the October 15, 1982, Hansard, just very briefly, the point was made very well. In questioning the Minister of Consumer and Commercial Relations (Mr. Elgie), the member for Welland-Thorold said: "Does the minister not realize that the number of processors of fluid milk in Ontario has dropped in the last 13 years from something like 160 to 135 and now there are four or five, a maximum of five dairies, that have between 80 to 90 per cent of the market." The implications of this kind of concentration on the control of pricing and of any real competition are not too difficult for almost anyone to figure out.

A number of examples of price increases have been documented in this House, sometimes with the rather flip attention of some of the members when my colleague did so. We have had examples of Tide, Prestone, salt, Cheerios, corn flakes, Kraft salad dressing; and with all of them there has been a substantial price increase over the last year or two. The added point made was that in some cases the materials grown or processed or packaged here were sold at substantially cheaper prices in the United States.

Again the questions are raised: Where do people turn? Where do they go when they want to protest what is happening to the prices they have to pay?

The price increases in the examples I have cited were, in most cases, grossly excessive. The commodities that could be looked at and possibly challenged are legion.

Another point I would like to make, because of some of the things that have happened in this House, is that it would be interesting to be able

to look at the products of Irwin Toy, for example. In spite of all their labour problems, and undoubtedly aided by the inadequate wage rates that exist there to this day, it was interesting to note the story that appeared on Tuesday, November 16, 1982, in the *Globe and Mail*, which said, and some members may have seen it, "Irwin Toy expects profit to top last year's record \$4.4 million."

It goes on to say, "According to Arnold Irwin, president of Irwin Toy Ltd. of Toronto, Christmas shoppers who leave their toy-buying for the last minute, may find the shelves empty."

He goes on to talk about how well they are doing, how the payout and dividends are going to be much higher and how they are going to make a record profit. All of us know the battle we went through to get representation, let alone a decent contract which does not exist to this day in that particular plant.

If someone wanted to say, "Hey, on one of those toys or products selling at Irwin Toy; how do we have the opportunity to challenge the price?" Certainly some of the arguments that were being made by the company in their long fight to prevent even the organization of their workers have to be open to challenge when you get a picture of vastly increased profits in this particular company.

Where do you turn when you want to ask questions about these prices and the legitimacy and justification of them?

Let me make the point of right and jurisdiction. The question has been raised from time to time in the justice committee as to whether we really did have the right to regulate, to set, to roll back or to control prices. So the committee asked for a position from the Attorney General's department as to what rights we had in Ontario. I will not read the entire letter into the record, but I am going to read page 4 of that letter and the conclusion.

It says, "So long as it did not purport to regulate interprovincial or international trade or conflict with valid federal legislation in relation to the same matter, it would be within the competence of the Legislative Assembly to authorize the Minister of Consumer and Commercial Relations to regulate, control or roll back prices in Ontario."

We have a very clear ruling from the Attorney General (Mr. McMurtry) that, yes, we do have the right in Ontario to take such action.

I would also like to add the comments of one other individual who has been in the news a fair amount lately concerning prices and the need

for some form of controls. The following comment was made by the chairman designate of the Inflation Restraint Board that we are now, unfortunately, in the process of setting up in Ontario in Bill 179.

What did Mr. Biddell say about the need to regulate? It is not wages he is talking about, nor it is wages that we are making the point about in this particular bill. He said: "High inflation is a continuing unacceptable rate of increase in the price we have to pay for the goods and services we consume. To contain inflation effectively we must slow down the rate at which prices are increasing; we must control prices.

"Most people believe that this is just what the United Kingdom, the United States and then Canada did under our respective anti-inflation programs in the last five or six years. The fact is that except for a very brief, temporary price freeze in the United Kingdom and the US programs, none of us did. We did not control prices. We are attempting to control some profit margins and we controlled wages and salaries, and we controlled, in some cases, dividends, all in the hope that by doing so we would inhibit price increases. Our efforts might have had some success, but not nearly what we might have had and could in fact achieve now if we set about it in a more direct fashion by directly controlling price increases.

3:50 p.m.

"My major concern is the futility and regressive effect of attempting to achieve price control through profit control. In my opinion this approach greatly limits the effectiveness of any inflation control program." I think it is interesting that the comments came from Mr. Biddell, whom we are setting up as the all-powerful chairman of this Inflation Restraint Board which is going to do all the work on the wages side, but not on the price side, which is what we are talking about.

Bill 184, An Act to provide for the Fair Pricing of Products and Services sold to Consumers in Ontario, is one of a number of bills designed to offer, without overregulation, some positive protection and specific avenues of appeal in terms of prices and one's ability to question prices charged in Ontario. The bill is positive. The explanation of the bill, and I think it is worth concluding with it, says:

"The purpose of the bill is to require a fair price for every product and service sold to consumers in Ontario. Where a retail seller charges an unfair price, the bill sets out procedures and remedies for ensuring compliance

with the fair pricing requirement. The bill provides for an appeal of fair pricing orders to the Commercial Registration Appeal Tribunal."

The bill, in effect, enlists the general public and helps them to assist themselves and their own welfare by producing a rather massive self-help effort and self-sufficiency approach. This means the public know they can demand and get some fairness in prices. They know they have an avenue of appeal, as well, with regard to some of the things that are going on in terms of the pricing of products that people buy in Ontario.

It makes eminent sense. It is not a massive control program but a very positive program that could have some real effect in terms of prices. I would hope that all members of this House would see the justice and the sensibleness of this particular approach.

The Deputy Speaker: The honourable member has five minutes remaining. Would he like to use that?

Mr. Mackenzie: I will reserve it.

Mr. J. M. Johnson: Mr. Speaker, I have to take exception to the comments made by the member for Hamilton East when he talks about the fairness and equity of retail pricing. There are thousands of retail stores in this province. The merchants depend on the retail market to make a living, and a living that is not comparable to that of some of the workers who are out on strike in this province to this day. There are farmers who should be getting \$5 a pound for their beef but are taking a lot less; and they are not able to go out on strike.

Mr. Mackenzie: We are talking about unfair prices. That is not what we are talking about at all.

Mr. J. M. Johnson: I rise in my place to speak against this bill and express in the strongest possible way my complete opposition to this ridiculous piece of so-called legislation. As legislation, it would be more suitable for China, Russia or perhaps unfortunate countries such as Poland.

Mr. Mackenzie: Talk about hard hats.

Mr. J. M. Johnson: This bill smacks of storm troopers marching into the retail stores of this province because of some customers' complaints. The member for Hamilton East, indeed, the entire New Democratic Party caucus have absolutely no idea of the basic principle of retail merchandising. Since not one of them has ever owned a retail business I can understand their

lack of knowledge of retailing. I apologize if I have missed some.

Mr. Cassidy: The principle is to charge what the market will bear.

Mr. Williams: They don't deny it, though.

Mr. J. M. Johnson: However, I do hope that some of the Liberals have the good sense to vote against this bill; I am certain that I can see a few over there who will.

Having owned and operated my own retail business for over a quarter of a century, I think I have far more knowledge of retailing than any of the members in the NDP party. For their information, I will tell them that the basic principle in retailing—

Mr. Breugh: Mr. Speaker, on a point of order: I am somewhat surprised that you have not pointed out to the honourable member that this is private members' hour this afternoon. I am rather surprised, too, that you have allowed him to impugn the motives of members opposite to him. I am also surprised that you allowed him to make such rather misinformed statements about—

The Deputy Speaker: I do not think that is a good point of order. You have it on the record anyway.

Mr. Breugh: You will hear subsequently then.

Mr. J. M. Johnson: The basic principle in retailing—

Mr. Mackenzie: On a point of order, Mr. Speaker: I would like to take just one second to point out to the honourable member across the way, who has been a member for at least as long as I have and by now should at least know that this is the New Democratic Party, not the NDP party.

Mr. J. M. Johnson: Do I get those two minutes added on?

The Deputy Speaker: We will make an allowance.

Mr. J. M. Johnson: The basic principle in retailing is quite simple. To be successful in business, especially in smaller communities, a merchant must satisfy his customers or quite simply he will not survive. A successful retailer must buy good quality merchandise at reasonable prices and must sell that merchandise also at reasonable prices. Further, the merchant must provide a pleasant shopping area and satisfactory service.

There is only one judge and only one that is necessary. That, of course, is the customer. The

customer always determines if a price is fair. A fair price is exactly what the customer is willing to pay. If a merchant charges too much, the merchandise will not sell. If he charges too little, the merchant will not stay in business very long.

Average, intelligent customers shop before they buy. They compare prices in several stores and select the one that is a fair price based on service and other factors, not just the lowest price. They also check ads in the local papers and even let their fingers do the walking through the yellow pages of the telephone directory. Most customers decide to patronize certain stores because they have confidence in the integrity of those merchants. I am proud to say that when I closed my store last year, after 31 years, I had customers who had dealt with me for all of those 31 years.

Before I deal with certain sections of Bill 184, I would like to read into the record some comments made by the Retail Merchants Association of Canada, Ontario Inc., and the Canadian Organization of Small Business. I might mention that I served as the director of the Retail Merchants Association of Canada, Ontario Inc., for some years.

This is a letter addressed to me, dated November 17, and it is signed by John Gillespie, president of the Retail Merchants Association of Canada. I will just read excerpts from it.

"The concept of Bill 184 is not only preposterous but dangerous to a free enterprise system."

Mr. Mackenzie: Like Bill 179.

Mr. J. M. Johnson: "It is frightening to acknowledge that we have Kremlin-type thinking within the NDP members in Ontario."

That is what he says. I am just quoting.

"A copy of my letter to the Honourable Mr. Elgie in response to this proposal is attached for your use.

"I would also like to remind the members of the House that within the last six months—

Mr. Cassidy: Have you ever considered that Bill 179 is Kremlin-type thinking?

Mr. J. M. Johnson: Cassidy, why don't you shut up just for once.

The Deputy Speaker: Order, order. Unparliamentary language—

Mr. J. M. Johnson: "I would also like to remind the members of this House that within the last six months of this year we have lost over 450 small retail store members in Ontario, not as a result of"—

Mr. Cassidy: Did you send a delegation to Warsaw before you brought in that bill?

The Deputy Speaker: Order, reminding all members, as it was well pointed out by the member for Oshawa, this is private members' hour.

Mr. J. M. Johnson: —“over 450 small retail store members, not as a result of bankruptcy but by simply having to close their doors and walk away because their incomes are so low. They are so low that they cannot make a living. Many of them spend 10 and 20 years in business—

Mr. Mackenzie: That is the high interest rates.

Mr. J. M. Johnson: Blame it on something.

“Many put in a 60-hour week in small stores and have take-home pay of less than \$15,000 per year. Even after all the family shares the work load, these people—and there are hundreds of thousands in Ontario and across Canada—are appalled at civil service pampering and union blackmail. We urge the provincial government to stand strong on government spending controls in the public sector, despite the loud voices of the unions.

“The overwhelming mass of workers in Ontario, especially in small retailing, support your efforts to fight our way out of the present economic mess, mostly caused by the socialist, something-for-nothing philosophy of our federal Liberal government.” Sorry about that. “Can you imagine what it would be like if the NDP added their misery to this?”

4 p.m.

Mr. Sweeney: Who wrote that?

Mr. J. M. Johnson: John Gillespie, a good friend of the member for Perth (Mr. Edighoffer).

Here is a letter from Geoffrey Hale, director of the Canadian Organization of Small Business.

“The Canadian Organization of Small Business respectfully requests that you and your caucus colleagues take a strong stand in opposition to Bill 184. This bill would have the effect of threatening the viability of the entire independent retail sector. We ask that it be vigorously opposed in principle as well as its implementation.

“There are more than 60,000 retailers in Ontario and most of them are small independents. They serve a valuable function within the marketplace, often serving specialized or local market needs in a way that larger chain stores are unable to do economically.

“Bill 184 is an unnecessary and mischievous piece of legislation. We hope that you and your colleagues will display your continuing support for small business in Ontario by speaking and voting against this bill.”

I should like to make just a few comments before I conclude.

What is an unfair price? If a retailer charges too much, that is unfair to the consumer. If a retailer charges too little, is it also unfair? It certainly is to his competitors. Surely any political party that feels \$9 an hour is not enough for labour would want to see the retailers make at least that much, especially when one considers the capital investment as well.

Section 3 states, “Where, upon the complaint of a person . . . the director may order the retail seller to . . . establish a fair price for the product or service.” Does that mean he must raise or lower the price? Does that mean any customer not satisfied with the purchase can threaten the merchant with the possibility of a charge being laid?

The Deputy Speaker: One minute.

Mr. J. M. Johnson: Does that include the interjections?

The Deputy Speaker: Yes.

Mr. J. M. Johnson: Thank you.

Unfair price: a \$2,000 fine or one year in jail or both. We do not serve that type of sentence for assault and battery.

In conclusion, I want to say that the last bill presented by the New Democratic Party, by the member for Downsview (Mr. Di Santo), had to be withdrawn because of poor drafting or just a plain goofup. I suggest to the member for Hamilton East that if he had any sense he would withdraw this bill as well.

Mr. Breithaupt: Mr. Speaker, I am pleased to speak on Bill 184. I find this bill philosophically abhorrent. In my opinion it also happens to be functionally impossible, because any law that cannot be enforced cannot be a law.

This bill, quite apart from the repugnant control which it intends government to have over its citizens, is unenforceable. When any law is in that situation, it leads only to derision, contempt and disrespect for the institution of law itself.

In the dream of the member for Hamilton East to regulate all of society's behaviour, in this case commercial behaviour, he would promote commercial anarchy. Supposedly there is one law for all retailers, but in fact there will be one law, and indeed no law, for all retailers.

What is the object of the bill? Ostensibly it is to ensure that only fair prices are charged for goods and services. This goal, of course, in isolation from the bill, is laudable. But how does the honourable member propose to achieve this

goal? He proposes to subordinate the free will of the human beings of this province to the discretion or whim of a judgement of a presumably omniscient and infallible director or tribunal. The means, therefore, have corrupted the ends.

This machinery reminds me of the Committee of Public Safety in the French Revolution or, indeed, of the thought police of George Orwell.

This bill has nothing to do with ensuring fair competition. It has nothing to do with stamping out unfair business practices. It has nothing to do with consumer protection. Although the member may say that such is the case, let us not be fooled. What we have here is an unveiled attempt to impose ideology where none exists. It is all too chillingly reminiscent of an image of the future where the ideology of the state consumes the freedom of the individual.

Are we really desirous of bringing in the society envisioned by George Orwell's book 1984, just 13 months before that futuristic date is upon us? George Orwell must surely have had this kind of government imposing Bill 184 in mind when he wrote, "If you want a vision of the future, imagine a boot stamping on a human face forever."

Every retail business, if this member had his way, would become the government's business. The implications of so monolithic an element of government control are staggering. Having first established the price, the government apparatus could justifiably establish the quantity of the goods or services sold, then the persons to whom those goods or services could be sold, then the locations, and so on.

Bear in mind that we are not dealing with a bill that speaks to the need to regulate the sale of a commodity, the nature and supply of which may be vital to the national interest, such as petroleum or uranium. No, this bill would regulate the sale of every conceivable item from buttons to boysenberry jam, from hamsters to herring—absolutely everything within our society.

How could such a law conceivably be enforced? According to the Retail Council of Canada, there are approximately 75,000 conventionally defined retail establishments in Ontario. This figure does not take into account those establishments not defined by their criteria as retail, yet obviously caught remorselessly in the web of the member for Hamilton East. I speak in this context of stores providing services such as dry cleaning, shoe repairing or even the various professional groups of the province who offer their services for sale.

What sort of a bureaucratic army would be

created to enforce the dictum of the director? At what cost in terms of both freedom and dollars, and for what purpose? All to ensure that a jar of boysenberry jam is sold in accordance with the commercial tastes of the director.

Look with me through the various sections of this bill. "Product" is defined to include everything, I presume, from bubble gum to a fleet of aircraft carriers. "Retail seller" is defined to include everyone, regardless of size of establishment, nature of establishment or purpose of establishment.

Look at the operative section 2. "Every" means no exceptions. "Fair" can never be an objective determination; it can only be subjective according to the standards of the person who does the measuring; in this case, the director.

Section 3 shows that we are subject to abuse by anyone with a real or imaginary grievance or grudge against an unsuspecting retailer. Indeed, the phrase "reasonable and probable grounds" is terminology borrowed from criminal law. One senses the insidious effort to have a state versus individual connotation introduced into every commercial transaction in the province. How can the director have grounds to believe until after he knows all the facts?

The phrase "has charged" is used; so presumably prices charged long ago—how long ago? A month, a week, even a year? Who knows?—are going to be subject to the review of this omniscient and abhorrent tribunal. The discretionary power of the director is not only incredibly broad but internally inconsistent. How can he order the compliance of a retailer without first establishing what constitutes a fair price?

Look at the apparatus in section 4: a notice, a proposal, written reasons, a hearing, a tribunal, regulations, orders, terms and conditions, parties to proceedings—and all this for a jar of herring.

Section 5, coupled with section 2, makes the will of the director the dominant, paramount will of commercial life. Big Brother truly has arrived in Ontario.

The unfettered powers of investigation that go to the minister under section 8 deal with any matter to which this act applies.

Look at the offences under section 10. The bill invokes double jeopardy. There is an offence for failure to comply with an order and, indeed, for the event itself. The potential penalties are up to \$2,000 or one year of imprisonment—and all this for a jar of boysenberry jam.

I suggest the philosophy underlying this bill

contravenes every notion and principle of freedom upon which our traditions and institutions are maintained. I certainly reject the bill in principle and in every one of its details. I hope other members of the House will join with me in rejecting this bill as unworthy of the serious consideration of this assembly.

4:10 p.m.

Mr. Swart: Mr. Speaker, as one might anticipate, I rise in support of the bill introduced by my colleague the member for Hamilton East. Although I have a 10-minute written statement here, perhaps it will be more useful to reply to some of the comments that have already been made.

Obviously and deliberately, the member for Wellington-Dufferin-Peel (Mr. J. M. Johnson) distorted what my colleague from Hamilton said. He knows, as does everyone else in this House, that the intent of this bill is to deal on an ad hoc basis with those prices that are excessive in our society. Many times we have spoken on this subject—

Mr. Kerrio: On a point of privilege, Mr. Speaker: One of the things I know the chair has great respect for is the integrity of the individual, and to impugn another member's motives is completely out of order. I thought that gentleman made a wonderful presentation during private members' hour. I am very disappointed that the member for Welland-Thorold (Mr. Swart) would impugn motives, suggesting he was distorting the presentation—

The Deputy Speaker: All right, you have made your point.

Mr. Kerrio: But I would like you to consider it, Mr. Speaker.

The Deputy Speaker: It is not a point of privilege or a point of order. You tried.

Mr. Kerrio: Thank you, Mr. Speaker.

Mr. Swart: I am not surprised to hear the member for Niagara Falls getting up to defend one of the most right-wing statements that has ever been made in this House.

I think what the member for Wellington-Dufferin-Peel said—and the applause he got from the other members on that side indicates a real sensitivity about this matter—shows that the public out there is anxious to have a fair prices commission and to have a government that deals with those excessive prices on behalf of the consumers of this province. That must have some great appeal when the members opposite make those kinds of statements about

it. They are so concerned they went out and got those letters they could read into the record here today. I would be a little bit surprised if those were passed at their convention.

I want members to know that many of the grocers, and their associations and members, have been in touch with me and have been concerned about what is happening with the supermarkets and unfair competition, what is happening with dairies and the discounts to the supermarkets. They cannot even buy the milk for what the supermarkets are selling it for. That is why they are going out of business, and the member knows that to be the case.

When it comes to it, and this is being proved more and more every day, it is this party that is really concerned about preserving competition in this province, especially after the comments the Minister of Industry and Trade (Mr. Walker) made. The members opposite are looking more and more to this party to preserve that competition. The Conservative stand at present is shown when the Minister of Industry and Trade says: "We don't care about competition. That has no more relevance in our society." That is what he said. I can send members a copy of his speech of a year ago last September. It is we who are trying to preserve this competition and deal with the real world.

If the member disagrees with this so much, why did his government appoint Mr. Jack Biddell? In this bill we are doing exactly what he says should be done. Why did the government appoint him? I would like to hear one of the members opposite speak afterwards and tell me why Mr. Biddell was appointed when he holds those views, the same as we do, about direct, ad hoc price control. That is what this bill is about.

What the member for Kitchener (Mr. Breithaupt) said reminds me that just that argument was put up by Pierre Trudeau in the election in 1974. It was identical: that price controls and wage controls would not work. Pierre Trudeau was not going to put on any controls; then, in the fall of 1975, he went on television and announced that controls were going to go on. The price controls he put on were far more comprehensive than what we are proposing in this bill. This is only ad hoc; he put on comprehensive price controls. Just a year before that time, when he was fighting an election, the Liberal leader in Ottawa talked the same way as the member for Kitchener did today. It makes me think that maybe the Liberals here are thinking of bringing in a similar bill to the one Mr. Trudeau brought in

back in 1975 when he established the Anti-Inflation Board.

Mr. McGuigan: It did not work.

Mr. Swart: I know. Maybe I am judging those people wrongly. Perhaps all they want is wage controls. That is all they want. The federal government now has put on wage controls, and those people are supporting the government over there on wage controls at present; but when it comes to controlling prices, even unjust prices, those people want to keep their hands off. Those people want to control inflation; but they are not going to control it by the way the federal government proposes it and by the way that they propose it here.

How much time have I left, Mr. Speaker?

The Deputy Speaker: Four minutes.

Mr. Swart: Fine. I had intended to deal with the bill in more detail, but it seems important that those things be answered and put in perspective in this House.

We think that a fair prices commission is the alternative to the proposal of freezing or cutting back the wages for 500,000 people. We think it is fairer than that, and we think it is more workable. We know the total answer to inflation is not by having an ad hoc fair prices commission, but if the prices are held down, that will keep the lid on as well as keeping down all the input costs. It is a much more effective way than just dealing with one sector of the input, such as the civil servants, to break their contracts and keep them down. What we propose here is much more effective than that.

I was rather amazed to hear the member for Wellington-Dufferin-Peel get up and make the statement he did about no control. One of the things we would control would be auto insurance rates. We think they are rather excessive.

The other day in the committee, the Minister of Consumer and Commercial Relations (Mr. Elgie), to prove that we do not need the kinds of controls we are talking about, read into the record the comparable auto insurance rates across Canada. He regrets that he ever read it into the record.

I have here what he read into the record. It shows that in Regina, Saskatchewan, in Winnipeg, Manitoba, and even in Edmonton and Calgary, Alberta, and in British Columbia, the auto insurance rates are a lot cheaper than they are in this province. I have the record here, but I will not take time to read it.

This is the point I want to make. Six months or a year ago, a Conservative government was

elected in Saskatchewan—applaud for that; please applaud—

[Applause]

Mr. Swart: What has the Conservative government in Saskatchewan done? It has instituted a public utility review commission in Saskatchewan to review all the insurance rates there and all the costs of public utilities, including hydro. They have to give three months' notice. The Conservative government in Saskatchewan is going to control the rates. Can you believe that?

Mr. McClellan: They could not do that here.

Mr. Swart: The government would not do that here; oh, no. I want to tell the member that he is out of touch with what the people are thinking in this province. The government is out of touch with the way prices are hurting the common people in this province. The government is out of touch with the fact that there are various areas of this province where prices are going up where they should not go up, where there is no reason for them to go up.

Here in the House I documented cases where excessive profits are being made, and the member is saying that the government does not want to even look at those increases. That is what this government is saying. We are not saying we want comprehensive price controls. We are saying we want price controls where there is prima facie evidence that there are price increases that are hurting people and where there is no justification for those increases. We are saying the government has a responsibility to its citizens to investigate such price increases and, if it finds them unjustified, to roll them back. That is what we have in this bill and that is what we want in this party.

4:20 p.m.

Mr. Williams: Mr. Speaker, I am pleased to rise to participate in the debate on Bill 184, an act purporting to provide for the fair pricing of products and services sold to consumers in Ontario.

I am sure the member for Hamilton East and the member for Welland-Thorold must be very proud to have this legislation introduced into the House today. I mention the member for Welland-Thorold in particular because he is obviously, in his own mind, a self-proclaimed consumer advocate in Ontario. This legislation epitomizes the socialist thinking and dogma that would not just bring free enterprise to its knees but bury it.

While they take some pride in bringing this

legislation forward, I am sure it is also done with trepidation. I notice it took them two years to get up the nerve to bring this legislation into the Legislature. The member for Welland-Thorold brought it in two years ago but did not have the nerve to proceed with it. Now, here they are, with trepidation bringing it in today, and properly being maligned by other members of the Legislature on revealing what the substance of this legislation is all about.

This is the most absurd and most repressive socialist legislation to come down the pike in a long time. Given that it is coming to us double-barrelled, from not one but two of the most rabid socialist members in the Legislature, it is understandable.

In case there is any doubt that I am not supportive of this bill, I want to offer a little bit of constructive criticism in reference to a couple of the specific proposals in the bill. I will refer to three sections in particular.

Section 2, which was pointed out by the member for Kitchener as the operative section of the bill, talks about the retail sellers of this province. It is interesting that throughout the whole presentation made by the member for Hamilton East, he talked about anything and everything but the retailing business. I did not realize Ontario Hydro sold boysenberry jam and salt and potatoes at the local corner store. I did not realize Cadillac Fairview and the rollover of the financing of buildings had something to do with the retail business in Ontario.

I wonder whether the sponsor of this bill has read his own legislation. He did not talk about the small retailers at all. I would be delighted if he and the member for Welland-Thorold would deliver copies of this bill to all the small retailers in their ridings, because they would not be back after 1985. It is a disgraceful piece of legislation. I hope it gets all the press it deserves in their ridings. To see what they are doing to the small businessman in those municipalities is disgusting.

Let us look at section 2. It dogmatically offends not only the vast majority of the members of this Legislature but also the people of our vast province who believe in the free enterprise system. It is offensive because it talks about dealing with costs that have nothing to do with the retail sector. It is talking about the producers, the distributors and the marketers. They are the people who deal with the products before they even reach the retailers' shelves.

If the member for Hamilton East is going to talk about costs, he should be comparing apples with apples, not apples with oranges. All he has

talked about is the producers. He wants to assess the retailers' costs on the basis of the farm-gate costs and what the farmers' costs are in conducting their farming businesses. He is talking about the distributors, the middlemen, and assessing whether the retailer is legitimately putting prices on his products based upon what the middleman is having to absorb in the way of operating costs and marketing. These matters are all external to, and out of the control of, the retailer himself.

In his legislation, why did the member not refer to the operating costs to the retailer, the man he wants to penalize? Why no reference to his costs for heating, for taxes, for paying his staff, for stocking the shelves and for storage space? Why did he not have the common sense? Of course, not ever having been a retailer, he perhaps does not understand that there is a difference between talking about the producers and the distributors and talking about the individual retailers. So obviously that whole section is basically flawed. That is the first point I would like to draw to the members' attention.

Section 3 says, "Where, upon the complaint of a person or upon his own motion"—that is, the motion of the director—"on reasonable and probable grounds"—well, the member for Kitchener has already shot that section down. When the member refers to "reasonable and probable grounds," he must think it is a criminal offence to legitimately sell retail products in this province, because that is what he is implying. It is terminology you will find in the Criminal Code.

As far as setting any benchmarks or criteria is concerned, who is going to set the objective ground rules here? I know the member for Welland-Thorold envisages the director as being a person who looks, thinks and would act as he does. I am sure it would be someone very much along those lines. I am also sure that if the member for Welland-Thorold had the opportunity to be appointed as that director, he would quit politics today and take over that directorship tomorrow. I am sure it would relieve him of a real problem, because he would not then have to continue shuffling off to Buffalo to buy his groceries at lower prices, then bringing them into this Legislature to justify buying all his groceries for personal consumption and use at a lower price and thereby continuing to offend the local merchants in his area for buying his goods in Buffalo rather than from his own local grocers. He uses that as a basis for coming here—

Mr. Swart: Mr. Speaker, on a point of personal privilege: I do not buy my groceries in Buffalo. As a matter of fact, I do not usually buy them even in the supermarket. My wife likes the local retailers, the independents, and that is why she buys her groceries in Ontario.

Mr. Williams: Mr. Speaker, that is certainly part of the public perception, because I have had it conveyed to me as a possibility that the member must do all his personal grocery shopping in Buffalo. We know, as the member for Hamilton East said, that unfortunately in this country we do not have the same volume production, because we have a smaller marketplace to sell to. There are advantages: where there is greater volume there are cost savings to the retailer, and that saving is quite often passed on to the consumer; but to try to compare the cost of groceries purchased in the United States, which are also on a different weight measure from ours in Canada today, again is comparing apples to oranges. Here we have some of the inconsistencies that appear throughout the whole of this convoluted piece of legislation.

I want to come to section 10. This is a section that imposes not only a fine of \$2,000 for selling a jar of peanut butter or whatever for possibly a penny or two over price, at least in the mind of the director, but also, on top of that, imprisonment. Is that not what we really want in this province? That really has to take the cake, if I can use that term. But on top of that, if the little corner grocer decides he wants to incorporate his business to try to limit his liability under his operation, as soon as he becomes a corporation the penalty is increased from \$2,000 to \$25,000. So for the pleasure and for legitimate business reasons of incorporating a small private business, he could be subjected to 12 times the \$2,000 penalty; plus, of course, being thrown into prison.

This has to be the most enlightened gobbledegook, which the sponsor of this bill calls social legislation, that has been presented to this House in some time. As my colleague suggested, I wonder whether he seriously wants this bill to be voted on at the end of the private members' hour or whether he should do a service to this House and withdraw the bill at this time.

4:30 p.m.

Mr. Wildman: On a point of order, Mr. Speaker: Is the member suggesting that if we would consider withdrawing this bill, they would consider withdrawing Bill 179?

The Deputy Speaker: I am advised that the member for Kitchener-Wilmot has eight minutes. The member who brought in the resolution reserved five minutes.

Mr. Sweeney: Eight minutes, Mr. Speaker? I guess that is about what it will take.

I am a little surprised at the drafting of this legislation because the member who introduced it has a favourite expression which he often uses when other members of this House bring in legislation. He uses the term "motherhood." If there has been a piece of legislation in a long time which deserves that title, it is certainly this one.

I am opposed to the legislation because it does not do what the member says it will do. As a matter of fact, the member who introduced the legislation, when making his own comments, pointed out—and he is quite free to check the record to double check this—that the items that could be covered under this legislation are legion.

Certainly, they are legion because it says under the definition, "product" means an item of goods," and under section 2, "every retail seller." Absolutely nothing is to be exempted. Every single tin, chocolate bar, bottle of pop, magazine and whatever it is is included in this legislation.

At the same time, the member who introduced it said, "It will cover only the products that people must buy." Who are we to believe? Are we to believe what is printed in black and white or what the member who introduced it says it means? It makes it rather difficult to vote for a piece of legislation, either for or against, when we have two very different interpretations.

The member for Welland-Thorold said clearly, "No, we are not talking about everything," to use his term, "we are talking about only those serious cases."

That is not what the legislation says. It says every single item that is sold in this province in any retail outlet is subject to this legislation. What does he mean by "serious"? It includes everything. Then, of course, the member for Welland-Thorold gets up here and says, "We are the party that is going to protect competition in Ontario."

They are going to protect competition by having everything sold at exactly the same price. I would be interested to know what their definition of competition is. If there is no price competition, there is no competition.

I come from an area, the city of Kitchener, which in the retail business is probably the most

price competitive area in this province. I challenge anyone in the House to check into that. In my community, we have lots of small business people who are competing in the marketplace for price and quality. If they were subject to this legislation they might as well close up their shops. What it would effectively do, whether the member realizes it or not, would be to put every small businessman out of business.

The only ones who could compete would be the large chains. Dominion, Loblaws, Simpsons and Sears could live with this. Hundreds of small businessmen in my community could not live with this.

In section 2 they say they are going to have pricing based upon "the costs of production, distribution and marketing." I would like to know how they are going to decide what those costs are. I would like to know what criteria they are going to use.

For example, there is a small businessman in my community who sells furniture, doll carriages and things like that. He is able to sell those at a lower cost because he will travel all across the country, pick them up himself and market them in an area which does not have high rent.

What are they going to do with that man? Put him out of business because he does not charge prices that are high enough? It does not say anything as to whether or not a businessman can sell below cost. It suggests he cannot; but that is what a lot of businesses are doing at present.

Then the member who introduced the bill had the nerve—that is about the only word I can use—to say, "And it is without over-regulation." I have not seen a piece of legislation brought into this House by anybody in a long time which has much more regulation than this one. We are going to have a tribunal, a director, hearings and orders. What does he mean by regulation? Every single—

Mr. Swart: Mr. Speaker, on a point of order: I would point out that the insurance rating board in Alberta operates with two and a half people, and it saves tens of millions of dollars for the taxpayers.

The Acting Speaker (Mr. Cousens): That is not a permissible point of order; not at all.

Mr. Sweeney: Mr. Speaker, that is clearly a violation of the points of order in this House.

Every single person who buys anything in this province, 8.5 million people, would be subject to this legislation. The hundreds of thousands of retail outlets would be subject to this legislation.

Any jurisdiction that has tried to introduce legislation like this has seen itself corrupted; corrupted because the thing that comes in right afterwards is a very efficient and a very effective black market. If that is what they want to see in Ontario, that is the kind of legislation we want, corrupting legislation.

We can go to places such as Russia and China and see where the government operates every store. That is how they control the prices and that is how it would have to be done here too. They would have to take over every single small retail outlet in Ontario.

We have a piece of legislation before us that would mean totalitarianism in its finest sense. We are going to have a director who is going to decide every single price on items that are going to be sold. We are going to have a tribunal which is going to put every single retailer in Ontario on trial, everybody.

When I came down here this morning from my own community of Kitchener, I stopped at a—

Mr. Breaugh: In your BMW.

Mr. Sweeney: Yes, that is nine years old. How old is yours?

I stopped at a store and bought several things which were being sold at discount. This legislation would prevent me from doing this, because it would prevent those stores from selling at a discount. It would prevent competition in Ontario. It would prevent small businesses in Ontario from competing with the big chains. It would set up a bureaucracy the likes of which we have never seen in Ontario, but that suits the political ideology of the New Democratic Party right to a T and that is why I am fundamentally opposed to this legislation because it does not do what the member says it should do. It does nothing but harm to the retail business in Ontario and should be opposed by every member of this House.

Mr. Kerrio: Mr. Speaker, on a point of order: I know the honourable member who introduced this terrible legislation has five minutes left, but we have not been told yet whether there is any time left for any other members to participate in this debate.

The Acting Speaker: That is a fair point of order, but the answer is no.

Mr. Mackenzie: Mr. Speaker, I want to put something on record very clearly here. I would just love to respond to some of the rather ridiculous criticisms. I want the honourable members to know that I am very pleased to be

on the side of consumers and fair prices in this province against both of these other two parties. I just love it.

I would like the members of this House who shout about private enterprise and what we are doing to prices to justify to the member for Nipigon (Mr. Stokes) why the residents of Fort Severn, for example, who are locked in and do not have an awful lot of choice, pay the following:

For five kilograms of flour, \$8.59; for one pound of lard, \$1.25; for one pound of baking powder, \$2.39; for two kilograms of sugar, \$3.19; for one pound of tea bags, \$1.25;—and I might say the members negotiated cheaper rates for getting this material in and it has not helped them a darn bit—for one pound of ground coffee, \$3.79; for one pound of instant coffee, \$5.82; for a can of Carnation milk, \$1.15; for eggs, \$1.85 a dozen; for bread, \$1.45 a single loaf; for butter, \$2.79 a pound; for pork chops, \$3.99 a pound; for a pound of hamburger, \$3.35; for turkey, \$1.89 a pound; for a pound of grapes, \$2.19; for one pound of oranges, \$1.29; for a three-pound bag of apples, \$2.79; one litre of fresh milk, \$1.89; propane, \$86 a bottle; gasoline, \$6.19 a gallon; naphtha, \$8.99 a gallon; kerosene, \$6.50 a gallon; and a half litre of oil, \$1.55.

4:40 p.m.

Where is the free enterprise system for these particular residents? I think this is a valid point. I want to make it clear the bill is not all inclusive. It is permissive legislation, permissive ad hoc, which simply means there is the right to question high prices.

I am absolutely appalled at the lack of understanding and the stupidity of the comments I have heard in this House. It makes no sense whatsoever. Are we or are we not trying to protect people? These people across the way talk about a Kremlin-like bill; my God, what is closer to a fascist piece of legislation, or communist piece of legislation, than Bill 179, which both those parties are supporting?

Mr. Sweeney: On a point of order, Mr. Speaker: The member has not read his own legislation. The legislation says, "Every retail seller shall offer each product." There are no exceptions.

Mr. Swart: Mr. Speaker, on the point of order, the member did not mention "at a fair price." Is that not a worthy objective?

The Acting Speaker: The member for Rainy River. Is this a point of order?

Mr. T. P. Reid: If you will give me a minute I will find exactly the order that I am concerned about. The member who just spoke talked about fascist and communist legislation and lumped this in—

Interjections.

Mr. Philip: Where were you when all the red baiting was going on?

The Acting Speaker: Your point of order, please?

Mr. T. P. Reid: I was not at the Ontario Federation of Labour voting for the Palestine Liberation Organization, I can tell you.

The Acting Speaker: I am recognizing the member for Rainy River.

Mr. T. P. Reid: Mr. Speaker, probably my colleague the member for Lake Nipigon (Mr. Stokes) can tell you better than I can, but in our standing orders phrases and statements that are likely to cause disturbance or cast aspersions on other members are not tolerated. I would ask the member to withdraw those allegations.

Mr. Mackenzie: I have no intention of withdrawing the remarks, Mr. Speaker. They were in response to a charge that this was Kremlin-like legislation. How stupid can they be? If they want to take a look at calling this Kremlin legislation, what are these two parties doing by supporting Bill 179?

AGRICULTURAL RESEARCH AND DEVELOPMENT

Mr. Watson moved, seconded by Mr. Andrewes, resolution 37:

That in view of the continuing importance of agricultural growth to Ontario, as well as the importance of new scientific and technical developments in the field of agriculture, this House advocates the creation of a select committee or a subcommittee of the standing committee on resources development to examine the levels of both private and public sector funding for agricultural research and development in the province, and to report back to this House or the standing committee as is appropriate.

The Acting Speaker: The member can reserve any portion of his 20 minutes for windup.

Mr. Watson: Mr. Speaker, I am pleased to have the opportunity to bring to the attention of the House this afternoon a topic which has been of importance to Ontario and will be of increasing importance in the future and perhaps has not been discussed in the House for some time.

The field of agricultural development is something this House spends too little time on.

Fortunately, there are some issues which, regardless of rural or urban approach, we can all agree on. I think we can agree that agricultural research is one of those areas because its benefits are shared by everyone. The only problem in the field of agricultural research is that we have probably not focused enough attention on it. If that is so, I hope we can do that here this afternoon.

New developments in research can affect farmers in many different ways. Research can result in a significant improvement in the agricultural economy. Advances can increase the size of a producer's yield or lessen the costs of production. Still other successful research can make it possible to put new land into production, land that otherwise could not have been put into production or on which it would have been impossible to produce economically.

A few years ago I had the opportunity to serve on a livestock feed task force, and one of the things this task force did was tour northern Ontario to see the potential for development in that area. The Ministry of Agriculture and Food is moving on some of those things at present, and I believe there is great potential for development through research in that.

But if it does that in the north, the potential for the southern regions of this province is even greater. Most farmers tend to look to research developments to provide either improved efficiency or improved quality. Of course, for the majority of farmers in Ontario, efficiency is more a way of life, particularly in times when costs are high and returns are low. Farmers and the farming sector must be efficient, and this is mainly the case, quite unlike other sections of the economy that should be efficient and are not.

Food producers must be efficient because of the competition in the food industry. Canadian tariffs on agricultural products average around five per cent, while manufactured products are often protected by tariffs of up to 40 per cent. As well, the basic input costs for Canadian farmers can be as much as 20 to 30 per cent higher than those of their competitors south of the border, and when selling in other countries Canadian farm products must face tariffs as high as 30 per cent. Yet as we heard in the debate here a couple of weeks ago on an earlier ballot item that dealt with export trade missions for agricultural products, Ontario products can still compete because of their quality.

Our exports have continued to grow, and this government, through the Ministry of Agriculture and Food, has assigned considerable importance to this program in order to cut our food trade deficit. Even higher priority has been given to import replacement programs, which, with the aid of research, can go a long way in reducing our food trade deficit. Here in Ontario we have already taken significant steps in agricultural research and we are embarking on even more projects to ensure that we will be able to export more food and at the same time grow more ourselves.

As we can all remember from our history books, in the early days of this province a greater portion of Ontario's population was occupied in farming. The history of agricultural research in Ontario can be traced back for well over 100 years. Back in 1874, the Ontario Agricultural College and experimental farm were established at Guelph, owned and operated by what was then the Ontario Department of Agriculture. A few years later the federal government also began its involvement in agricultural research. This activity by the federal government began in 1885 with a bill establishing five experimental farms.

In Ontario, one of the most significant legislative steps in the history of agricultural research occurred in 1962 with the passage and proclamation of the Agricultural Research Institute of Ontario Act. The duties of that institute are to inquire into programs of research in respect of agriculture, veterinary medicine and household science; to select and recommend areas of research for the betterment of agriculture, veterinary medicine and household sciences; and to stimulate interest in research as a means of developing in Ontario a high degree of efficiency in the production and marketing of agricultural products.

Today the Ontario Ministry of Agriculture and Food conducts a wide range of research endeavours, which cover but are not restricted to livestock, poultry, field crops, horticultural crops, soils, plant and animal diseases, pests, agricultural engineering, agricultural meteorology, land use, water quality, economics and marketing. This research goes on at a variety of locations throughout the province. There are five colleges of agricultural technology and three research stations. There are also five research stations which are managed by the University of Guelph. In addition, there are the provincial pesticide residue testing laboratory at Guelph and the economic branches in Guelph

and in Toronto. For 1981-82, the various operations had a combined budget of over \$27 million.

4:50 p.m.

Before I go on about various activities, I would like to mention some of the other developments that have shaped agricultural research in Ontario. Through the early part of this century, agricultural research was conducted by the federal and provincial governments as well as by the private sector.

In 1932, we saw the beginning of the formalized system for exchanging information gained through agricultural research. In that year, the national advisory committee on agricultural services was formed, made up of senior representatives of both the federal and provincial government departments and agencies. The committee's job was to provide information and to advise the ministers of agriculture.

In 1963 and 1964, the committee was reorganized and became the Canadian agricultural services co-ordinating committee. In its expanded role, CASCC was given the job of reviewing governmental and institutional services which affected agriculture in Canada. This included the examination and co-ordination and adequacy of all agricultural services.

CASCC itself is divided into several sections with several duties. As members can well imagine, with the many areas of agricultural research, a number of specialized committees have been made necessary. These include the animal research committee; the agricultural economics research committee; the agricultural engineering research committee; the field crops research committee; the food research committee, which also covers six areas consisting of beverages, confectionery products, snack foods, dairy products, fruit and vegetable products, and grain and oilseed products; the horticultural crops research committee; the pesticide control research committee; and the soil, water and air research committee.

The very number of committees and subcommittees goes a long way to show the various ways in which agricultural research is proceeding. We should mention that the Ontario agricultural services co-ordinating committee to which the various committees and subcommittees report is responsible for the integration of all agricultural research service programs in Ontario: federal, provincial, university and industry.

The Agricultural Research Institute of Ontario, which I mentioned earlier, consists largely of

members representing agricultural producers and agribusiness, and directs Ontario government funding for research through the ministry. The report on the co-ordination of agricultural research in Ontario states, quite rightly, that no research is effective until its results can influence the industry.

The participation of the food industry is essential at many levels, starting with the determination of research needs and research priorities, and ending with the dissemination of research results in a form that is usable and appropriate to whatever group it affects, whether it be producers, processors or consumers.

We should all recognize that everyone benefits from research: producers, processors and consumers; and that the benefits of research can be passed on to the rest of Canada and in many cases the rest of the world. We must not forget the nature in which agricultural research pays off. In just about every case, a fairly large commitment of money and manpower, not to mention knowledge, must be applied for a research project to succeed. Most of the time, as well, research projects last for a few years, and when completed successfully take a few more years to be put into practice.

Because of the size of the investment required, individual farmers cannot fund very much significant research. Farmer participation and funding of research can take place only through some of the marketing boards which may have sufficient resources to provide research and educational funding. I bring to the attention of the House the example of the Ontario Vegetable Growers' Marketing Board that has undertaken this over the past few years.

Private industry research does occur, but this is the kind of research which is restricted to a specific range of products as defined by the company involved and to products which hold commercial value and can also be protected from imitation. Perhaps one of the best examples we have in Ontario of that is the seed corn industry which, with government co-operation, does a tremendous amount of its own research in developing new varieties and varieties that will produce more for the farmers of Ontario.

I point out that over the past 40 years in which the Ontario corn committee, which met last week in Chatham, has been in existence, the average yield of corn in this province has gone up about one bushel per acre per year. This is through much effort, a lot of it through the private research of industry with the co-operation of the provincial and federal governments.

We should conduct a periodic review of where agricultural research has taken us and the future directions in which research should proceed. Perhaps through our debate here today we can conclude we are in agreement as to how research is proceeding.

If not, then perhaps we can identify some of the areas that merit attention and proceed accordingly. To aid with a few more observations, I would like to point out some examples of research advances we have all benefited from and say a few words about the return we are getting from our investment.

Over the past 30 years, Ontario has benefited from a variety of research advances, some of which I have already mentioned. One area in which we have made significant advances is in the yield and the spreading out, by shorter season hybrids, of the corn crop across Ontario to areas that never knew anything about growing corn. The same thing is done in livestock, in the soybean crop and almost any crop one wants to mention.

Because the majority of corn goes for feed, other research scientists worked on developing nutritious, more efficient farm feed rations, the improved control of parasites, better grain, silage and storage facilities, some of the management techniques of computers coming in to giving least-cost rations and that type of thing.

Some of the examples of successes have resulted in substantial increases in soybean yields. Concerning the costs involved here, one study over a 23-year period from 1950 to 1972 compared the cost savings and the input costs. The benefits were calculated with a six-year time lag to represent the average time for new research discoveries to be put into practice.

Research expenditures were considered to consist of all the provincial research, agricultural education and production extension expenditures, combined with the private and federal research expenditures in Ontario. In constant 1978 dollars, this came to \$1.488 billion.

The value of input saved—capital, land, labour and additional feed inputs—came to \$45.79 billion. After discounting for interest rate, the results are nearly 40 to one return on investment.

The big advantage with the returns on agricultural research investment is that all segments of society benefit and the savings are not only applied to one particular group. That study concluded that in order to maintain the same ratio on investment, agricultural research funding would have to increase by three per cent over the inflation rate.

I would like to take a moment to point out one of the things the government has shown it is doing for agricultural research in the future. That is the announcement of a \$14.5-million investment by the Board of Industrial Leadership and Development in the farm equipment and food processing technology centre for Chatham.

With the centre, Ontario stands to gain a competitive advantage over the next few years in food manufacturing. Given the past returns on investment, we can look forward to benefits valued in millions of dollars, not only for our producers and processors, but for the consumers.

I would be pleased to listen to other members of this Legislature with their ideas on how research can be improved and how we can talk about it. One of the reasons for the resolution this afternoon is that we might form a committee to look far more thoroughly into agricultural research, federal, provincial and industrial.

Mr. Riddell: Mr. Speaker, I rise to speak against the adoption of the resolution in the member for Chatham-Kent's name, fully cognizant of the importance of research to the agricultural industry.

However, at this particular time when farmers are suffering the effects of economic pressures that have brought this country to a standstill, I find the priorities of the member who introduced this resolution most strange.

5 p.m.

The resolution from the member for Chatham-Kent leaves me little faith that he or the Conservative government fully understand the real problems which currently exist in the farming industry. I submit that with many farmers going bankrupt, and others being forced to sell their businesses while they still have some equity remaining, an examination of private and public sector funding of research for agricultural development by a select committee of this Legislature is not a priority at this time.

Furthermore, the Ontario Federation of Agriculture, which is the main spokesman for farmers, does not consider increased levels of research to be a priority, a fact which is obvious as one reviews the OFA briefs dating back to 1979. There was very little mention made in these briefs of increased expenditures for research.

If the member for Chatham-Kent were more familiar with the programs of the Ontario Ministry of Agriculture and Food, he would know that there has been in existence since 1962 a body known as the Agricultural Research Insti-

tute of Ontario, a body of very capable people which inquires into current research programs, and which recommends areas which should be given priority.

Surely the Agricultural Research Institute of Ontario is well aware of the research that is being done both by the government and the private sector. If the government has additional money to spend in the agricultural industry, it would make more sense to apply the money where it is most needed. This certainly excludes, in my opinion, the funding of a group of members of the provincial Parliament to run around the province to study the research that is being done by both the public and the private sectors.

It is not a lack of research that is prohibiting farmers from producing to their maximum potential, or to the maximum capacity of the soil; rather, it is a lack of incentive due to a lack of financial support for farmers who very often must contend with low commodity prices and high input costs. In addition, it is due to a lack of sufficient security for farmers from existing stabilization programs, and a lack of adequate processing plants, storage facilities and markets.

As I reviewed the OFA agricultural food strategy for Ontario, I made particular note of a comment on page 3 of the report. I would like to read it into the record:

"We have in Canadian and Ontario agriculture and food industries, a well-developed body of technological knowhow, the equal of the best in the world. It is most important that we use it to generate greater output. Unlike most other industries, agriculture and food do not have to import advanced technology, it is here.

"It is also a fact that increasing output in food production is achieved with a minimum of import leakage, that is few additional imported components are required. As a result, the entire return for such output expansion accrues to domestic production components."

It must be obvious to the members that new technology is generally preceded by a tremendous amount of research and this comment in the strategy report would indicate to me that there has been good research in agricultural development.

I also reviewed the OFA emergency task force report. I again noted the comments which were made on page 32 of that report. If you would permit me, Mr. Speaker, I would like to quote the first two paragraphs on that page:

"The federal and provincial governments share responsibilities for agriculture. This makes

it difficult to establish appropriate roles for each level of government and to evaluate the degree of assistance given to agriculture by the various governments. Each government has its own spending priorities.

"Historically, the federal government has been perceived to be strong in research, regulatory work, marketing and income transfers. Usually, provinces have been strong in formal education, extension activities at the farm level and marketing. Some provinces also supported significant research activities. In recent years, the lines of responsibility have become less clear as both levels of government began to pay attention to areas formerly looked after mainly by one level of government. At the same time, considerable differences developed between provinces as to program emphasis."

You can sense from what I have just read, Mr. Speaker, that there has been a good deal of research done, and it is continuing to be done.

Acknowledging the fact that recommendation 6 in the same report makes brief mention of research, one cannot help but notice that research is lumped in with marketing, financial management and agribusiness. One finds, in reading the report, that far more emphasis is placed on financial management and marketing than on research. This is not to say that research is not important, but it is certainly not the factor that is limiting agricultural growth in this province at this time.

Referring to the minister's opening statement on the agricultural expenditure estimates, which are currently before the House, I note that he takes a great deal of pride in the research expenditure portion of his budget. Let me quote from the minister's opening remarks: "Ontario's agricultural record has been an outstanding one because of the research and development that has produced new strains of crops, superior breeds of livestock, and new technology to plant and to harvest our produce. My ministry ranks research and development as a high-priority area and has, at about \$30 million, the highest research budget of any provincial government in this country."

Yet the member wants us to form a select committee to run around the province seeing what research has been done. To my way of thinking, that is ludicrous. Before this government spends money on a select committee to look into research, a study that I am sure is being done on a continuing basis by the Agricultural Research Institute of Ontario, it could direct any additional funds it may have to the

implementation of a long-term agricultural strategy that would pave the way for self-sufficiency in regard to the supply of food that can be produced in this province.

Of course, we will require, on a continuing basis, research into increased deficiencies of production, processing and distribution of food, but, more important, at this critical time in the history of our country, an agricultural strategy would provide more financial stability for the food producers of this province. It would also help to improve marketing opportunities, both at home and abroad. This is an area that has been somewhat neglected until relatively recent times.

To maximize the use of the technology that is available at present, and the research that has been done and is being done, farmers need interest rate assistance programs and increased availability of long-term, medium-term and short-term financing at reasonable rates of interest. Farmers need larger amounts of capital grant money for such things as modernization of buildings, equipment, erosion control, pollution abatement, energy production development and other projects.

Farmers need more money for tile drainage, since this is the most effective method of making a dramatic improvement in crop production efficiency. Farmers need better stabilization programs to provide sufficient security to encourage them to make major long-term management decisions.

Farmers need more markets, both at home and abroad, and more adequate storage facilities. Farmers need improved rating systems and more processing facilities.

Give the farmers these tools and they will do the job. Agricultural growth in this province, if indeed more food is needed, is dependent upon far more important priorities than research at this time.

I would, therefore, encourage the government to establish such priorities for the agriculture and food industry and to apply its budget to these priorities. Surely, in a period of restraint, an expenditure of money on a select committee to examine levels of private and public sector funding for agricultural research and development cannot be considered a priority by this government. It is for this reason that I cannot support the resolution.

Mr. Swart: Mr. Speaker, I am a bit puzzled by the resolution we have before us. I do not know whether the member, in introducing this motion, feels we need a special committee to look into

research in agriculture because it is in such bad shape, or because he and other members of his government know so little about what the research branch of the Ministry of Agriculture and Food is doing.

I am not sure whether he is playing a game along with the member for Elgin (Mr. McNeil) who introduced a motion we debated three or four weeks ago with regard to complimenting the government on the increase in their farm product sales from Ontario and on the missions they are sending throughout the world at tremendous cost to the taxpayers of this province; or whether he, along with or in opposition to the member for Elgin, has something to do with the leadership aspirations of the Minister of Agriculture and Food (Mr. Timbrell) and wants to build him up. In this case, it seems to me, the member must be trying to tear him down.

5:10 p.m.

Mr. Wrye: Is he supporting Mr. Timbrell?

Mr. Swart: No, I do not think he can be; not when he introduces a resolution that by implication condemns the agricultural research work of the Ministry of Agriculture and Food; or perhaps—and I think this is probably the real reason, and this was mentioned by the member for Huron-Middlesex (Mr. Riddell)—this may just be a diversionary tactic of the government, it may be to divert attention from the real issues farmers are currently facing.

Like the member for Huron-Middlesex, this certainly is not my priority. If I was going to bring in, as the agricultural critic—or yes, if I was sitting on that side of the House—a motion on an agricultural issue, it would not be to deal with this. Where are their priorities? I would be bringing in a resolution to deal with the critical financial situation faced by the farmers in the interest rates they must meet.

I am not sure whether the member was in the House the other night when I started my opening comments on the estimates of the Ministry of Agriculture and Food. If he was, he will know I pointed out that from 1972 to 1976, when the farmers of this province had an average net income of \$650 million, the interest they were paying on indebtedness was \$131 million.

That was just one-fifth, or 20 per cent, of their net income. Do members know that by 1981—and these are the figures from the Ontario Ministry of Agriculture and Food—the interest on indebtedness had risen to \$633 million and the farmers' net income was \$835 million? It had gone up

from 20 per cent to 75 per cent of the net income.

Does the member know what his own ministry estimates the net income of farmers will be this year? It will be \$655 million, down from \$846 million last year. This year, their interest payments on indebtedness will exceed their total net income.

Can the member bring in a resolution dealing with research, appointing a special committee of this House to investigate research? Why would he not have brought in a resolution dealing with that problem; especially when the ministry said they set up \$60 million to assist the farmers this year and they have only paid out \$13.5 million? And he is bringing in a motion to deal with research.

Mr. Wildman: Maybe the member should research the banking system.

Mr. Swart: Yes. I wonder why he would not have brought in a motion to deal with import replacements; he mentioned it in his speech. But again, if he was here when we debated the resolution by the member for Elgin, he will know I brought forward statistics from both Statistics Canada and from OMAF which showed that the gap between what Ontario was paying for imports and was getting on exports had increased from \$600 million to \$900 million since 1976.

The ministry itself says that it can close that gap by at least half. It should close that gap. What government has been in power? Why would they not bring in a resolution to deal with that very serious situation, which affects not only the farmers in the sale of their produce, but our balance of payments with other countries and the ability of consumers to consume their own goods here? Isn't that pretty important? Then they bring in this resolution on research.

If I were to bring in a resolution at this time with regard to agriculture, I think it would be in regard to income stabilization for agriculture. The minister has proposed that there be the one third, one third and one third, and that we have a national income stabilization plan for farmers which is adequate; but we have not accomplished that yet.

As the member for Huron-Middlesex has noted, that income stabilization is not anywhere near adequate the way prices have gone down this year. It is unbelievable the way prices have gone down. I have a list of them here: 10, 15, 20, 25 per cent, the prices of farm produce have dropped this year. We need income stabilization. Why would they not have brought in a

resolution so that we could debate that tremendously important issue in this Legislature?

I suspect that this is a bit of a façade that the Minister of Agriculture and Food is building up about the federal income stabilization. I think it is a façade because if it is going to be meaningful in this province and across this nation, it is going to cost hundreds of millions of dollars. Even in this province it would probably cost at least \$250 million to bring the farmers up to even where they were a couple of years ago.

I suspect he is not willing. When he pays out only \$13 million on this huge indebtedness of the farmers, I do not think he is going to put even one third of that kind of money into it. I suppose we could not debate that here, but if we really want to talk about an issue that is important to the farmer and the agricultural community, we have to talk about income stabilization.

We have to talk about fair prices to the farmer and about the markup. Mr. Barrie, the president of the Ontario Federation of Agriculture, pointed this out in his speech about 10 days ago. He condemned the tremendous markup on the farmers' produce and the unfair share that the farmer receives. We have to deal with that. That is one thing our debate on the fair prices commission was all about.

Although this is a motherhood resolution, and I do not disagree with it, I suggest that I am going to vote against it. All it will do is name another committee, dominated by Conservatives, to bring in a report which will do what the Conservatives want it to do. But, most of all, this motion is diversionary; and I cannot distort my priorities and this party's priorities by voting for this resolution instead of facing the real issues the farmers have to put up with at the present time.

The Acting Speaker: The member for Lincoln.

Mr. Stokes: And Balls Falls.

The Acting Speaker: And Balls Falls.

Mr. Andrewes: Mr. Speaker, I rise to speak in support of the member's resolution. The purpose of the resolution is not to set up unneeded committees but to determine if we are well directed in our thrust in agricultural research.

There are certainly many research areas which hold a great deal of promise in which work is currently in progress. I would warn the member for Huron-Middlesex, the agriculture critic for the Liberal Party, who spoke against this resolution, that he should not suggest that we throw the baby out with the bath water. I

think he has distorted the intent of the resolution to some extent. Perhaps he would be satisfied with the archaic practices that are prevalent in some of our endeavours. Perhaps he would be satisfied with that level instead of Ontario being in the forefront of agricultural research, as it always has been. It is the same member who questioned and criticized the then Minister of Agriculture and Food about a year ago for the lack of his ministry's funding to support research at the University of Guelph.

5:20 p.m.

Perhaps there are members who feel that input from comparative outsiders also would be constructive in identifying new areas for research activity. In this case a committee would provide one avenue to identify such new areas. One area not strictly related to funding of research that could also bear some examination is the supply of researchers.

The *Globe and Mail* of October 24, 1982, mentioned a study by Michael Jenkinson—a former colleague of mine, by the way, at the University of Guelph—who is now dean of the University of Guelph, which says that over the next five years there will not be sufficient Canadians to fill the agricultural research positions.

The member for Welland-Thorold (Mr. Swart) has suggested that some of us on the government side do not know what the government is doing in agricultural research. I would like to enlighten that member. I want to give some examples of what we are doing in agricultural research in one specific area.

One area in which the average person on the street would be interested is the improvement in the quality of Ontario wine. I am sure you, Mr. Speaker, having the kind of delicate palate that is sensitive to these kinds of things, will be very interested in what I am going to say about Ontario wine and the research that is currently going on.

Wine is the only agricultural product to which virtually every major newspaper in North America devotes at least one column every week. A considerable amount of wine research activity is centred in Vineland Station, which contains the headquarters of the production and breeding unit and the horticultural products laboratory of the Horticultural Research Institute of Ontario. This famous institution, by the way, is in the provincial riding of Lincoln.

In the area of growing wine grapes the Ontario Grape Growers' Marketing Board and the Ontario Wine Council, with help from the

Ministry of Agriculture and Food, are working together to create a series of grape standards for the province with the advisory and research effort provided by Dr. Richard Chudyk of Vineland Station.

The existence of standards will allow the industry to produce better quality wines and act as an incentive to the growers to improve the quality of their grapes. Wineries in the future therefore will be able to base their purchases on the quality of grapes shipped rather than on just the weight of grapes, as is the existing system.

I want to go on to explain some of the details of this program and how it is proposed to implement it. It is thought that the best measure of the quality of wine grapes is their sugar content, but with about 900 growers in Ontario and some 60 varieties, progress in setting standards cannot occur overnight.

I want to refer to some remarks by Dr. Tibor Feluki in a publication called *Highlights of Agriculture Research in Ontario*, where he talks about chemistry in aid of grape breeding, with reference to the Vineland grape flavour index. Dr. Feluki says:

"The quality of a wine is primarily determined by its bouquet and flavour. Connoisseurs of wine get really carried away and describe these qualities in almost ecstatic terms: 'subtle nose,' 'flowery bouquet,' etc. Unlike any other fruit product, the number of wines with distinctly different flavours is enormous. As well as the 8,000 varieties of grapes grown around the world, growing conditions such as climate, location, seasons, cultural practices and stage of ripeness at time of harvest and the variations in flavour and quality are virtually unlimited. Different wine-making practices and ageing are further sources of variation in the flavour of the end product, wine."

It is expected that the pricing system for quality will be applied at first only to the six most important cultivars grown in Ontario. To accomplish this goal, an annual evaluation of grape quality is required to create a data base of crop quality over a period of several years. The Horticultural Research Institute of Ontario has therefore gathered information on all grape shipments to wineries made in the Niagara region. This information includes such specifics as delivery date, weight and vineyard location.

Grape varieties delivered to wineries have also undergone chemical analysis, and chemical data are being put together for various zones in the region. With all the gathered data, the laboratory is trying to put together a computer

analysis of the entire grape crop sold to wineries in Ontario. Grape analyses have taken place over the past four years. The results have been published in the report entitled Ontario Grape Crush Analysis. I am sure the member for Welland-Thorold has read that report in great detail.

This past year the industry and the Ontario Grape Growers' Marketing Board decided to conduct trial quality testing of one type of grape, de Chaunac, since de Chaunac represents about 10 per cent of Ontario's wine grape harvest and was named after a Bright's winemaker. I am sure my colleague the member for Chatham-Kent, being a very experienced grape grower, is familiar with that particular cultivar, as you no doubt are, Mr. Speaker.

The role of the research station is to ensure the impartial testing and analysis of the deliveries. At this time the data have gone to a computer centre to be analysed and we can soon look forward to its first results. As mentioned earlier, it will take some time to set standards. Average grape quality can vary from year to year. However, we can look forward to a time when the grape growers in the industry will be asking this government to formalize grape standards through legislation. I am sure we can count on the support of all my colleagues in this House when that time comes.

We in Ontario can be justly proud of the fact that this is the only jurisdiction on this side of the continent that is working on developing wine standards. Even though work is going on in this area, and will continue to go on for some years, some wine growing jurisdictions to our immediate south have expressed interest in the work carried out here. It would therefore seem possible that the standards set for Ontario may be adapted by some US states.

Grape breeding at the Horticultural Research Institute of Ontario goes back to 1913, when a breeding program was established to satisfy market demands at that time. After 1947, when French hybrids were injected, it became possible to breed wine grapes for increased winter hardiness and diversity of flavour. Successful Vineland hybrids based on these and other hybrids have been bred: such as Vincent, bred in 1949; Ventura and Veeblanc, the later being named in 1977. Promising seedlings from breeding in 1961, 1963 and 1964 are currently in large-scale commercial trial tests.

The Acting Speaker: Time.

Mr. Andrewes: I would just urge all honourable members to support this resolution.

5:30 p.m.

Mr. McGuigan: Mr. Speaker, I am glad to enter this debate. I have been a bit perplexed wondering how to deal with this resolution, because we have had both members on the Conservative side make very good speeches extolling the virtues of agricultural research. They have gone through a whole litany of the great advances we have made in those fields, which result in a small percentage of the consumers' income going to buy their food, down now in the neighbourhood of 16 per cent. We have no argument with the value of agricultural research. The member for Lincoln (Mr. Andrewes) has me so enthralled with wine production that I think I shall go home and plant a few more acres than those I already have.

When we look at the resolution, it is telling us that we need a select committee to go about the province and in their great wisdom decide what should be done by private industry, what is being done by private industry and what should be done by our own facilities.

As the member for Chatham-Kent told us, we had a piece of legislation introduced back in 1972, the Agricultural Research Institute of Ontario Act. That body was created then, and I happened to have the honour of being one of the appointees to that original body. I served on it for six years. That was a very fine experience. I enjoyed it very much, until at the end I did not go along with what the government wanted so they kicked me off.

Mr. Riddell: They found out you were a Liberal.

Mr. McGuigan: They found out I had a mind of my own and kicked me off. In spite of that, during that whole six years—

Mr. Andrewes: You made a great contribution.

Mr. McGuigan: Yes, it was.

Mr. Hodgson: It wasn't this side of the House that kicked you off.

Mr. McGuigan: No, it was Bill Stewart. But in spite of that, during those six years that I was on that body, there was only one time that we had interference from outside people, political interference. The minister came in and authorized some research in an area that proved to be a waste of \$250,000. However, that was his prerogative; he was the Minister of Agriculture and he did it. I thought it was pretty significant that

there was only the one case in which that happened.

The job of the agricultural institute is to co-ordinate and decide where work shall be done. Prior to 1962, they were giving money to various institutions, and those institutions would decide themselves what they wanted to do. It is only human nature that they tended to empire-build in their particular college or university.

In 1962, we went to the European and British system, which was to create institutes whose job it was to take on this work; then they would farm out the money to whoever they thought could do it best and wherever they thought it could best be done. It did not all necessarily go to provincial institutions; it could go to outside institutions.

Their job was also to pull together the overall question of whether we could even afford to do certain work. When we looked at the United States and the huge investment they have in agricultural research and the facilities they have at Beltsville, Maryland, where they do the basic research, the bricks and mortar of the advances they make, we had to decide at times that we would leave that job to them.

When the work is done in Canada, there is a split. The federal Department of Agriculture does the basic research, largely at Ottawa but also at other stations throughout Canada. The role left to the province is largely a matter of adapting that basic research, using it and putting it into practice and doing such things as the member for Lincoln was talking about, the introduction of varieties and so on.

The member did not say anything about the role of private industry, other than to mention it. He gave quite a talk to the member for Chatham-Kent about the corn breeding companies, but when one looks into the history of the great advances that have been made in corn production, they were as a result of basic research conducted in the United States by the US Department of Agriculture and the university system. There was a chap down there who later became vice-president of the United States, Henry Wallace. He took a lot of the credit for this, moved it out into the field and established one of the big corn companies. The point is that the basic research was done by government.

If members will think back to 1971, we came very close to having an agricultural disaster in North America when all the corn companies, in an effort to do away with pulling the tassels off the female plants, went to a system of male sterility—

Mr. Watson: You had better explain that to some of us.

Mr. McGuigan: Yes, I will. I am not going to go into the details. They found male sterility in only one element of plant breeding and, to stay competitive, every corn company in the United States and Canada adopted corn with that element of male sterility. They did not know that at the same time the element also carried a susceptibility to southern corn leaf blight. In that year we came very close to having the type of famine that occurred in—

Mr. Nixon: Egypt.

Mr. McGuigan: In Egypt—seven years in a row, was it not?

An hon. member: And in Ireland.

Mr. McGuigan: And in Ireland in 1844 and 1845. We came very close to that, because we had an almost total lack of corn up to the middle states; from there on, we had a partial crop. To correct that, we had to go back to the colleges and universities for the element to start over again. We know now that we have to maintain some diversity in our corn crop.

I related that little story to tell members that while I certainly do not want to fault the corn companies for the research they do, they do it on the short term and for their own competitive reasons. We have to maintain a system whereby we have the basic work done at the universities.

We do not need a select committee to travel this country to know that we are falling behind in the level of research. I checked the figures from 1967 to 1982 and found that while the actual number of dollars increased three and one third times—the money allotted to Ontario agricultural research went up three and one third times—the actual number of people involved came down. For a number of years there were 320 people; and then we dropped to 305 in 1975 and 1976, and to 300 in 1977. Later figures are not available. That tells me that in dealing with inflation and with the tremendous costs of modern research material, we have not been keeping pace.

We know what the weaknesses are in our Ontario agricultural system. We need more research in marketing, as people have mentioned. We need more research in controlling soil erosion. In addition, and this may sound a little strange, we need research to see how we will deal with plenty. For the past number of years we have all been concerned with the shortages of food, but today we have excesses. We used to think of India as being a great

country deficient in food. Today India produces enough food for itself and is even in an export position—

Mr. Speaker: The member's time has expired.

Mr. McGuigan: I believe the members have failed to show why we need this select committee. While they have made a great story for agricultural research, they have missed their own main point.

Mr. Wildman: Mr. Speaker, how long do I have?

Mr. Speaker: About two minutes.

Mr. Wildman: I was a little concerned when I read this resolution as to what its main purpose was. My only conclusion was that the honourable member must be following in the footsteps of his colleague the member for Lambton (Mr. Henderson), the "Lorno" school of political advancement. It seems to me what the member is looking for is a chance to go on a junket in memory of the tile drainage committee.

Mr. Watson: Is the member against the benefits of tile drainage?

5:40 p.m.

Mr. Wildman: We believe agricultural research is very important and we are very much in support of it. We are concerned, however, about the tendency of this government to rely too much on the private sector and to provide grants for private sector research to the detriment of academic institutions such as the University of Guelph, and to the detriment of the hands-on research to find new methods to ensure the preservation of the family farm.

I have a list of grants under the provincial lottery research awards program by the Ministry of Agriculture and Food. I note that the largest ones are to Brights Wines for the development of a new grape; to Libby McNeill and Libby of Canada for a production feasibility study of chick peas in southwestern Ontario for processing; to Canada Packers for the development of economical diets for the growing rabbit; Viapac Corp. Ltd. for freezing and nonsurgical transfer of cattle embryos, and so on.

Only one of a long list went to what appears to be a family farm operation. It was to study the possibility of growing strawberries in August and was for about only \$7,700, whereas the grants to the private sector are in the range of \$50,000 to \$225,000.

There are a large number of other grants to the University of Guelph, and I believe one to

the University of Toronto, but in our view we should be relying far more on academic institutions to carry out research which, as the member who spoke previously said, would not be designed purely for the astronomical advancement and marketing of a particular private company, but would produce new strains and new technologies which it would then be possible for the ministry to transfer to the family farm.

In our view, this proposed resolution is just smoke and mirrors, as the phrase goes. It is a way of trying to show that this government, or the members of this government who vote for this, are in favour of agricultural research and in favour of agriculture, when what they should be doing is encouraging the Minister of Agriculture and Food to stop his campaign across the province, shaking hands and lining up delegates, and get busy doing something about what is really hurting agriculture in this province; namely, the high interest rates and the inability of the farmers to get a decent price for their produce so that they can remain viable and in operation.

We believe there should be stabilization programs and a real commitment by the Ministry of Agriculture and Food in this province to improve the economic viability of our farms. This resolution does not even deal with that. What it means is that a bunch of back-benchers would be able to waste money travelling around looking at what wonderful research is taking place, rather than dealing with the real problems of agriculture. For that reason, I will be voting against it.

Mr. Watson: Mr. Speaker, I want to thank the members on all sides for their comments, some of which were complimentary and some of which were not.

I really introduced this to get some comments. I was pleased that the member for Huron-Middlesex, after hearing what the member for Lincoln had to say about the research into wines, thought maybe he should change his mind and go on this select committee or subcommittee, because it is important that we do look into research as it is.

The member for Algoma brought out some of the things I was not able to, the fact that there is research funding from this government going to private enterprise. It would be a good thing if this government looked at how that combination of money to private enterprise and money to provincial research and federal research is being used.

I appreciated the comments of the member

for Kent-Elgin, particularly his comments on southern corn leaf blight. I would agree that is one example where research took off in one area. I remember that very vividly. I was in the centre of it as the agricultural representative for Kent county and a member of the Ontario corn committee.

There are other things currently in danger in the province. For instance, the majority of winter wheat grown in Ontario is now down to one variety. That may not be such a good thing. If something similar were to happen to that crop we would have a disaster. That crop would be wiped out. That is one of the things that long-term research would be looking at.

I understand why the member for Welland-Thorold is puzzled. He looks at some of the things in the short run. Perhaps when he has had a little more experience in his capacity as the agricultural critic he will realize we have short-range problems but we also have long-range problems.

In agriculture we get only one crop a year and the government has to look several years ahead, particularly with research. The way to do it is to look at it in terms of spending money in the long term. Money spent today in research is not likely to produce results of a practical nature for 10 years down the road; therefore, it is in the interest of this House, in the interest of the government and the interests of farmers and consumers of this province, to take a long-range look at agricultural research in the province.

We have several examples. The member for Northumberland (Mr. Sheppard) did not get a chance to speak but I know he wanted to talk about some of the things the Ontario Milk Marketing Board has done in research in this province. Therefore, I would hope the members would support this. If the members feel agricultural research is not important, as some of them have indicated, that is their choice. I would hope to have support for this because I believe it is important in the long run.

I am pleased the people, particularly those opposite, were able to say that research was in good shape in Ontario.

Mr. Swart: Mr. Speaker, on a point of order: Regarding imputing statements to other members that were never uttered, no one who spoke in this debate said agricultural research was not important.

Mr. Watson: No, I ended up with that, if the member had listened. I appreciated the comments that the member thought agricultural research was important and he thought it was in

such good shape in this province. We certainly appreciate those comments from all members opposite because we—

Mr. Bradley: Then we do not need a select committee.

Mr. Watson: That is the member's choice. I happen to think we need a select committee on this. It was brought up on the tile drainage research. At that time the members said that tile drainage was important, but look at the emphasis that it gave to tile drainage in Ontario. Such a select committee could provide that stimulus for agricultural research in Ontario.

Interjections.

Mr. Sheppard: I would like to support my colleague, Mr. Speaker. I welcome the opportunity to rise and say a few words in support of his resolution because the agriculture and food industry is the backbone of a country. Approximately one in five jobs are related to the agricultural field.

We are most fortunate in Ontario that we grow a variety of food products, but most unfortunate that we are not self-sufficient in agriculture. There is no reason why Ontario should have a food trade deficit of \$1 billion. Some provinces have too short a season to grow fruit and vegetables economically, but Ontario could increase production substantially and reduce its import bill.

Our basic problem, however, is the Canadian climate. The growing season is too short and variable, thus leading to a glut of local produce for a few weeks in midsummer before stocks dry up for another year. The uncertainty of the Canadian weather makes life particularly difficult for vegetable canneries. A few days of rain at harvest time will throw delivery schedules completely out of whack, forcing canneries to shut their plants one week and then throw away the food the next.

I hope all the members of this assembly will support my colleague the member for Chatham-Kent.

5:50 p.m.

FAIR PRICING ACT

The House divided on Mr. Mackenzie's motion for second reading of Bill 184, which was negated on the following vote:

Ayes

Allen, Breaugh, Bryden, Cassidy, Charlton, Cooke, Foulds, Johnston, R. F., Lupusella, Mackenzie, Martel, McClellan, Philip, Renwick, Samis, Stokes, Swart, Wildman.

Nays

Andrewes, Ashe, Barlow, Bernier, Boudria, Bradley, Brandt, Breithaupt, Conway, Copps, Cunningham, Dean, Eakins, Eaton, Edighoffer, Elston, Epp, Eves, Fish, Gordon, Gregory, Haggerty, Henderson, Hennessy, Hodgson, Johnson, J. M., Jones, Kennedy, Kerr, Kerrio, Kolyn, Lane, Leluk;

MacQuarrie, McCaffrey, McCague, McGuigan, McKessock, McLean, McMurtry, McNeil, Miller, F. S., Miller, G. I., Newman, Nixon, Norton, O'Neil, Peterson, Piché, Pollock, Ramsay, Reed, J. A., Reid, T. P., Riddell, Robinson, Rotenberg, Roy, Runciman, Ruprecht, Ruston;

Scrivener, Sheppard, Shymko, Sterling, Stevenson, K. R., Sweeney, Taylor, G. W., Taylor, J. A., Treleaven, Villeneuve, Walker, Watson, Wells, Williams, Wiseman, Worton, Wrye.

Ayes 18; nays 77.

6 p.m.

AGRICULTURAL RESEARCH AND DEVELOPMENT

The House divided on Mr. Watson's motion of resolution 37, which was agreed to on the following vote:

Ayes

Andrewes, Ashe, Barlow, Bernier, Brandt, Cassidy, Dean, Eaton, Eves, Fish, Gordon, Gregory, Henderson, Hennessy, Hodgson, Johnson, J. M., Jones, Kennedy, Kerr, Kolyn, Lane, Leluk, MacQuarrie, McCaffrey, McCague, McLean, McMurtry, McNeil, Miller, F. S., Norton;

Piché, Pollock, Ramsay, Renwick, Robinson, Rotenberg, Runciman, Scrivener, Sheppard, Shymko, Sterling, Stevenson, K. R., Taylor, G. W., Taylor, J. A., Treleaven, Villeneuve, Walker, Watson, Wells, Williams, Wiseman.

Nays

Allen, Boudria, Bradley, Breaugh, Breithaupt, Bryden, Charlton, Conway, Cooke, Copps, Cunningham, Eakins, Edighoffer, Elston, Epp, Foulds, Haggerty, Johnston, R. F., Kerrio, Lupusella, Mackenzie, Martel, McClellan, McGuigan, McKessock, Miller, G. I.;

Newman, Nixon, O'Neil, Peterson, Philip,

Reed, J. A., Reid, T. P., Riddell, Roy, Ruprecht, Ruston, Samis, Stokes, Swart, Sweeney, Wildman, Worton, Wrye.

Ayes 51; nays 44.

Mr. Martel: Mr. Speaker, I am not sure but I do not think the first two people over on that side of the House voted. I could be wrong.

Mr. Speaker: Yes, they did.

BUSINESS OF THE HOUSE

Hon. Mr. Wells: Mr. Speaker, I would like to indicate the business of the House for the balance of this week and next.

Tonight we will continue with Bill 179.

Friday we will continue with the estimates, Ministry of Agriculture and Food.

On Monday, December 6, in the afternoon and evening, continuing agriculture estimates.

On Tuesday, December 7, in the afternoon and evening, we will first deal with second and third readings of all private bills on the Order Paper and then continue with Bill 179.

On Wednesday, December 8, the usual three committees will meet in the morning: justice, general government and resources development. In the afternoon, the House will sit to consider concurrences on the estimates of the ministries of Correctional Services, Tourism and Recreation, and the Environment, and the Justice secretariat and the Solicitor General.

On Thursday, December 9, in the afternoon, private members' ballot items standing in the names of the member for Halton-Burlington (Mr. J. A. Reed) and the member for Leeds (Mr. Runciman). In the evening, we will continue with Bill 179.

On Friday, December 10, we will continue the estimates of the Ministry of Agriculture and Food.

I have been informed also, Mr. Speaker, that you and the Clerk are in receipt of a no-confidence motion, and I would like to point out to the House that this will be considered on Monday afternoon, December 13. It is a motion from the New Democratic Party, which I believe will be on tomorrow's Notice Paper.

The House recessed at 6:07 p.m.

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Ontario. LEGISLATIVE ASSEMBLY

No. 161

Legislature of Ontario Debates

Official Report (Hansard)



Second Session, Thirty-Second Parliament

Thursday, December 2, 1982

Evening Sitting

Speaker: Honourable John M. Turner

Clerk: Roderick Lewis, QC

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LEGISLATURE OF ONTARIO

Thursday, December 2, 1982

The House resumed at 8 p.m.

House in committee of the whole.

INFLATION RESTRAINT ACT (continued)

Resuming consideration of Bill 179, An Act respecting the Restraint of Compensation in the Public Sector of Ontario and the Monitoring of Inflationary Conditions in the Economy of the Province.

On section 1:

Mr. Chairman: If memory serves me correctly, we had left the debate under discussion of an amendment moved by the member for York South (Mr. Rae) to clause 1(a), in which he moved that clause 1(a) of the bill be struck out and the following substituted therefor: "'Commission' means the Fair Prices Commission." The member for Welland-Thorold (Mr. Swart) had the floor at that time.

As I cast my eyes about, I do now recognize the member for Erie.

Mr. Haggerty: Thank you, Mr. Chairman. I want to address myself to the amendments put forward by the New Democratic Party concerning the prices review commission.

Listening to the lengthy debate put forward by my colleague, the member for Welland-Thorold—

Mr. Martel: Good stuff.

Mr. Haggerty: It was good stuff was it? It was laid on pretty heavy. I say to the member for Sudbury East (Mr. Martel), it reminds me of going to the Royal Agricultural Winter Fair here this winter, walking through the cattle building.

I consider the present positions taken by his party: they were definitely opposed to it and felt amendments would not do it any good, they were not going to bother with amendments or anything. It was a complete flip-flop. If one goes through the cattle building at the Royal Agricultural Winter Fair, it reminds me of walking through there, the flip-flop.

Mr. Martel: Mr. Chairman, on a point of privilege: Obviously they want to filibuster over there, but I want to say, it has never been stated by this party we would not move amendments.

We said on the first part of the garbage we would not move amendments, but we would in fact be moving amendments on that section dealing with prices and controls on prices.

If my friend is going to say something, it should reflect accurately what has been said and should not distort it.

Mr. Haggerty: Mr. Chairman, I am afraid I have not distorted it at all. I think the papers will bear that out. All I am suggesting is if they went through the Royal Agricultural Winter Fair, they would perhaps get my message, because the member for Welland-Thorold talked about price controls on almost everything, right from the farm gate, right from the milk, right on through the whole system.

That was the message I got, for two nights I believe it was, Tuesday afternoon and Tuesday evening from the member for Welland-Thorold. That was definitely the intent of their present bill that was debated this afternoon.

Mr. Philip: Mr. Chairman, on a point of order: We have never talked about price controls at the farm gate. We talked about the fact that farmers were not getting their fair share of the market price and we talked about some price review system at the consumer gate, not the farm gate.

Mr. Chairman: I agree. Order.

Mr. Haggerty: Mr. Chairman, I enjoyed the interjections but take a look at Bill 184, An Act to provide for the Fair Pricing of Products and Services sold to Consumers in Ontario.

Mr. Chairman: We have another point of order.

Mr. Renwick: My point of order is very clear. We dealt with Bill 184 this afternoon and the Liberal Party opposed it.

Mr. Haggerty: We will not argue that point. The point I am trying to bring to the attention of the Legislature is I heard the member for Welland-Thorold compare food prices on the American side to those on the Canadian side. I have to agree with him. You can buy a dozen eggs on the American side for about half the price you can over here. Beef, or vegetables, are a lot cheaper than they are here.

For example, just before the American Thanks-

giving weekend on November 28, you could buy choice number one turkeys, the Butterball, for 78 cents a pound.

Interjections.

Mr. Haggerty: There are some interjections from the other side.

I wanted to bring to the attention of the Legislature that in dealing with this restraint bill and the fair prices commission, members have to remember one thing: On the American side of the border they have a free-market approach in the distribution of farm produce; they do not have an egg marketing board, a chicken marketing board or a turkey marketing board.

And they do not have a milk marketing board. You can buy milk there for about half of the Ontario price, but it is costing the taxpayers there about \$6 million a day to subsidize the dairy industry.

This past week there was an article in the *Globe and Mail* concerning the recent General Agreement on Tariffs and Trade meetings in Geneva, Switzerland. The Americans have huge surpluses of whole grain, grain cereal, or whatever you want to call it, and a huge dairy surplus. They threatened to dump these surpluses on the world market if they were not given special consideration in this regard. If that should happen, it would cause chaos in the marketing programs we have in Canada.

There is no wheat marketing board in the United States, as we have in Canada. In a sense, prices are controlled in these particular areas but they are not controlled on the American side. That is why the farm products there are much cheaper than they are here. I live right next door, in Fort Erie, across the bridge. I often wish I could go over there and load up my car and come back. I could live rather cheaply.

But if one goes a little deeper into the pricing of goods on the American side, and takes into consideration the wages paid in the supermarkets there, one finds them to be much lower than those wages paid in Ontario stores. I am not arguing that point. I just want to make sure the House clearly understands the comments put forward by the New Democratic Party when they talk about fair price control.

Interjections.

Mr. Chairman: Order. The member for Cochrane North.

Mr. Piché: On a point of order, Mr. Chairman: I respect the speaker but he is not talking on Bill 179. I understand we have a lot of Ontario Public Service Employees Union repre-

sentatives here who need to learn what we are doing as a government because they have been given some very false information. I think they should know why we are here today, but the member is not discussing Bill 179.

Mr. Nixon: Why doesn't the member make a speech when it is his turn?

Mr. Piché: Just a minute now, I still have the floor.

Mr. Chairman: The member for Cochrane North has a point of order.

Mr. Piché: That is right. We should stick to Bill 179, which is a very important bill for the people of this province. The people from OPSEU have been misdirected by their leaders. I think it is very important that we deal with Bill 179 and not go outside it.

Mr. Mackenzie: Point of order, Mr. Chairman:

Mr. Chairman: Just before the point of order, I am wondering if I might point out to all our guests in the galleries that under our standing orders—

Mr. McClellan: Talk to the member for Cochrane North who is making a fool of himself.

Mr. Chairman: Well, wait a minute. I just want to point out, that under our standing orders—

Interjections.

Mr. Chairman: Order, order. I am going to call you to order.

Mr. Piché: No, no. I am on a point of privilege. You have no choice.

Mr. Chairman: Yes, I have a choice. I am speaking. Order.

Mr. Piché: I cannot accept that.

8:10 p.m.

Mr. Chairman: Order. The member for Cochrane North, you are out of order at this time. You will have your opportunity. I would hate to do something drastic.

Mr. Piché: I have the floor.

Mr. Chairman: No, you do not have the floor. I do not recognize you. I shall recognize you in a moment. I want to point out to guests in the gallery that, under our standing orders, which are the rules and procedures of this Legislature, no one other than members is allowed to participate in the debate. That includes any kind of clapping. I want to bring that to your attention, because I would hate to have to clear the gallery at some time.

At this time I recognize the member for Hamilton East.

Mr. Mackenzie: Mr. Chairman, the reason I am rising to my feet is simply to point out that, if we are going to enforce that rule in the gallery—and I agree you should enforce your ruling that the galleries are not allowed to enter into the debate—there cannot be deliberate incitement from members, such as the member for Cochrane North, and that is exactly what we had in this House.

Mr. Chairman: The member for Cochrane North has the floor.

Mr. Piché: On a point of privilege: The comment that has been made is wrong. All I am saying is that we are dealing with Bill 179, which is so important to this province and the people of this province. The people who are up there—

Mr. Chairman: You have made your point.

Mr. Piché: I have not made my point yet. You are cutting me off. All I am saying is, let us take Bill 179 and deal with that matter right now, because of its importance.

Mr. Chairman: The member for Port Arthur has the floor.

Mr. Foulds: I should like to make one point on the point of order. The member for Cochrane North has risen on what he thinks to be a point of order and has made allegations against people who cannot reply to them in the House. I would simply point out to you, Mr. Chairman, that if the honourable member had said another honourable member had misled the House or his party or whatever, that person could rise on a point of privilege.

Unfortunately, I believe the member is invoking parliamentary privilege unnecessarily, and I would invite the member for Cochrane North, during the course of the debate on clause 1(a), to try to get to his feet to substantiate his unfounded allegations.

Mr. Chairman: The member for Hamilton Mountain.

Mr. Charlton: On the original point of order made by the member for Cochrane North, it should be pointed out to him that Bill 179 is not on the floor tonight. Clause 1(a) of Bill 179 is on the floor. In fact our amendment to clause 1(a), dealing with a fair prices commission, is on the floor tonight.

Mr. Chairman: Back to the member for Erie. I would like to point out that, indeed, we are speaking to the amendment. Let us give it a try and see if you are speaking to the amendment. Try to mention it now and again.

Mr. Haggerty: I was talking about the fair prices commission. I am sure that is the amendment put forward by my colleagues to the left. I do not want to repeat this, but they should go through the cattle building at the Royal Agricultural Winter Fair. I talked about the flip-flop that took place down there. I thought I would drive that point home. If one looks at the cattle down there, one will see a point here and a point there, and a lot of bull in between. I hope you get the message, Mr. Chairman.

What I am trying to convey to you, Mr. Chairman, is that for two days I have heard nothing but boloney from the other side. There was mention of—I should not say wage and price controls, but controls on consumer goods. If I can relate that to the Solidarity situation in Poland, that is one of the problems they want to get rid of over there, controls. They want to be free, to move in a free climate so that they can go out and buy the goods they see that suit their pocketbooks.

The same thing applies here in Ontario. You talk about competition. That has been mentioned under this fair prices commission. Do you have competition when beer, wines and other spirituous goods are sold in Ontario?

Mr. Edighoffer: Milk?

Mr. Haggerty: Yes, milk is another one. There is no competition at all once you set up some measure of control. I learned a lesson during the war years—and I am not that young a person, don't let looks fool you. If you go back to the wage and price controls that were in effect during the war years, 1941 or 1940 to 1944-45—I believe that was when the controls were removed—a price commission was established at that time to be a watchdog over what the consumer was paying for certain goods. There was a certain price tag put on them, but there were also coupons given to you on certain items that were restricted.

Butter, for example: if you went into a store, under controls you had to produce the coupons but if you had the money, through the scarcity of that item on the market, you could buy it almost any place. The same applied to the gasoline controls they had. You could end up, under controls, with a black market; you create a scarcity of goods on the market.

The consumer has a better chance to go out and buy goods today; the sales and the deals are there. All it takes is for consumers to gain confidence to get back into the mainstream and spend some of that money in purchasing goods. You will turn the economy around that way

without putting controls on, as suggested by the New Democratic Party and by the government.

Even wages were frozen during that time. They were under the watchful eyes of the government. There were certain areas where you could go out and perhaps pick up another job during the war years under the Selective Service Commission. Some persons had two jobs. Perhaps there was more income in those days, because many of the spouses had the opportunity to work in industry, and that practice has continued to the present day. So there was sufficient income with two persons earning income.

Even renting was a serious problem. Almost every little cubby-hole in certain houses in the town of Port Colborne at that time could be rented if you had the money. They paid a considerable rental for the use because there was a shortage. But what happened during the war years was that the government came in with a wartime housing program. There are some good experiences and some good lessons to be learned from the history of controls that took place during the war years.

The government came in and built the wartime housing, and you can go through the Niagara Peninsula from St. Catharines to Fort Erie, Port Colborne and other places and you can see those houses still standing today, still providing housing accommodation for families. But it took a government with a deep sense of commitment to put sufficient housing on the market. If we had that today we would not have to have rent controls. Instead of the Arabs coming here and buying Cadillac Fairview, or whoever did, and the speculators in this area, that money could have built new units.

We are taking a backwards approach in this whole piece of legislation. I could use a stronger term than that in the House, but I do not want to use it. We are not going forward but backward. The NDP were right about the controls in 1975. They did not support them. They had principles at that time, and they did not flip-flop. They stuck to their guns and said it would not work.

In some areas it did. I happened to have State Farm automobile insurance at that time. I will put a plug in for them and maybe I will get a rebate on my insurance this year. Anyway, I got two rebates because there were huge profits made.

The Fraser Institute, I believe, at the University of British Columbia did a report on taxation—

Mr. Piché: Mr. Chairman, on a point of order: I do not want to interfere, but the member is not

speaking on Bill 179. That is why we are here tonight. Bill 179 should have been passed a long time ago but we have to listen to the opposition. If we were the government right now, we would have passed that a long time ago; but we are listening, and he is not speaking on Bill 179. I would like to draw that to your attention.

8:20 p.m.

Mr. Chairman: It is a good point of order, actually. I would like to bring to the attention of the member for—

Mr. McClellan: I think he was asking a question as to who is the government.

Mr. Piché: We are.

Mr. Chairman: In theory.

Interjections.

Mr. Chairman: Will the member for Erie tie in the amendment the odd time?

Mr. Haggerty: I am sure I am dealing with the amendment.

Mr. Philip: Mr. Chairman, on a point of order: As the acting government in the member's eyes, we will be happy to answer his questions if that is what he wants.

Mr. Haggerty: I do not know if the member is talking for the government over there or not. With what he is suggesting to us here tonight, we might as well pack up all our goodies, if one can call them goodies. We might as well call it a night if he wants to bring in closure. Is that what he is suggesting?

Mr. Piché: Mr. Chairman, I will not—

Mr. Chairman: The member for Erie has the floor.

Mr. Piché: Mr. Chairman, I have the floor on a point of order. I will not bring in closure but I will suggest that section 36 be considered.

Mr. Nixon: Oh my God, section 36.

Mr. Haggerty: Which section is he dealing with now?

Mr. Nixon: That is for the expulsion of obstreperous members.

Mr. Haggerty: I suggest some members have not read that book, Tax Base and Income Policies. It is a good document.

Mr. Nixon: Read it to us.

Mr. Haggerty: I should read sections of it. It goes way back to 300 AD or 301 AD. Controls were brought in during the Roman Empire. This document will tell the members that, beginning at that time, the history of controls is that they

have never worked. They have been a complete failure.

I talked before about the scarcity of goods that will come about if we accept this amendment put forward by the New Democratic Party. That is what will happen. There will be a scarcity of commodities on the market. As soon as that happens, prices will go up. If people have the money, they will get goods one way or another through a black market system.

That is one of the areas we are not moving forward in, but are moving backwards more than anything. By having controls one deprives consumers of the free market process here in Canada and in Ontario. It does not give them the option to buy the type of goods they may want to purchase, but they will be whipped into line to buy one particular commodity or goods.

To me, the amendment does not resolve the problem of Bill 179. In fact, the bill itself does not resolve the problem. It does restrict the controls to one sector and that is the public sector. I would be more concerned with the proposed amendment if the government ever got into the area of the pending Bill 180. Then I think it would be necessary to have such a piece of legislation apply across the board.

That is the position put forward by my leader; if the government is going to have price and wage controls they would have to apply across the board, not only in Ontario but across all of Canada. I am sure at this time we are not going to get that type of control measure applied across Canada because I think the recent change in the government of Saskatchewan, the recent election in Saskatchewan, will bear that out. The Premier of the province says he wants no part of applying any wage or price controls, or any controls of any nature.

Mr. Philip: Why are you voting for price control then?

Mr. Haggerty: If we look at what happened in Saskatchewan, we talk about controls but one reason the NDP was turfed out was because of its involvement in the private sector.

I do not have to tell the House about the cost of fertilizer today. Much of the cost has been set by the former province of Saskatchewan because the government had taken over the industry and has since applied some form of price fixing. I suggest that is what happened out there and the impact is here. The same thing relates to the price of crude oil here in Canada.

Mr. Charlton: What is the former province of Saskatchewan now?

Mr. Haggerty: They tell me they have lower student costs for enrolment in universities. That is one area. They have the cheapest gas you can buy anywhere in Canada. There are no controls. When looking at the areas that have caused the problems, the oil-producing countries would have to be looked at.

There is a glut of certain goods on the market today. We have gasoline, crude oil, natural gas and so forth. Actually there is not enough market here in Ontario, in Canada, or even in the United States because of the slow growth of the economy. The governments are not buying it over there.

This present amendment, and even the bill, are not going in the right direction. When I was speaking previously on the principle of the bill I said that I had some strong reservations about the intent of the bill. I still have those reservations. If I had my way I think the bill should be withdrawn. They should be looking at the areas of apartment building or homes, something that would put some light in the economy, because controls will not keep pace with unemployment.

We are going to have to come up with other measures. I spoke in the debate on second reading of the bill and my topic was the high interest rates. If the government wants to apply some controls, they should be applied in the area of interest rates. That has the damaging effect on the economy. Industry is not moving ahead or expanding. People cannot afford to purchase homes, new or older homes.

I believe strongly in the philosophy and the doctrine of the former Social Credit Party that if the interest rates are controlled the economy can be controlled and we would not be in the fix that we are in today.

The amendment put forward by the New Democratic Party for a fair prices commission is not going to resolve the problems of the economy in Ontario. In the past there has been greed shown by certain sectors of the economy, the banking institutions, the oil industry itself. They have had an excellent program for the last five to seven years of charging whatever the traffic would bear. They have socked it to the consumer.

The consumers are a little bit wiser now. They are sitting back waiting for the price to be right before purchasing goods.

Mr. Wildman: Did he say he was a Social Crediter?

Mr. Cooke: He said he supports their economic policies.

Mr. Haggerty: Yes; on the doctrine of interest

rates. There is a good lesson in the good book, the book of laws. There was a warning back at that time about usury. There is a good message in there. Perhaps the members on that side should read that particular section. I believe it is Exodus, chapter 18. It is a good lesson for many of us here. If that principle had been followed we would not be in the situation we are in today.

8:30 p.m.

I appreciate your patience, Mr. Chairman, but I still want to stick to my opening remark that I have never seen such a flip-flop as has come from the New Democratic Party, the party to my left. If you looked at the Sun yesterday—

Mr. Cooke: On a point of order, Mr. Chairman: I wonder whether the member for Erie can describe what a flip-flop is. He speaks against Bill 179 and says it should be withdrawn, but he voted for it on first and second reading. Is that a flip-flop?

Mr. Haggerty: I think I said I had strong reservations about it, and I hope the bill will be withdrawn by the members on the other side.

Mr. Wildman: On a point of order, Mr. Chairman: Perhaps you can help me. Can you explain to us and to the member for Erie how one registers a reservation when it comes to voting in this House?

Mr. Robinson: You get up slowly.

Mr. Haggerty: Well, they can move much faster than that. They have movement from all around. It is pretty hard to corner that party over there because they travel in circles. One never knows which side they are coming down on, but they can come down hard on both sides and say nothing.

Mr. Renwick: Mr. Chairman, I rise to speak briefly to the amendment that our party has put forward to clause 1(a) of Bill 179. I want to confine my remarks to the substance of that amendment.

We have two basic reasons for putting this forward. The reason we believe it is necessary for us to explain in detail to the House the concepts by which this party is governed in relation to this bill is that we in this caucus know—we got a signal a week ago from the government—that we are living on borrowed time.

Whenever the government wants to it will stop the debate on this bill. They did it in the standing committee on administration of justice last Wednesday, and they will do it again when they believe they have given us enough rope so

they can have some sense that we are the ones who are abusing the majority in the assembly.

Hon. Miss Stephenson: You certainly are.

Mr. Renwick: The member for Cochrane North can talk all he wants about our abusing the government. The government has the majority; it is the tyranny of the majority that we felt last week. We can understand—

Interjections.

Mr. Barlow: On a point of order, Mr. Chairman: I wonder whether the member is going to speak to the amendment on the bill. He has not spoken to it as yet.

Mr. Cooke: Are you one of the gang of six?

Mr. Barlow: No, I did not qualify. Sorry.

Mr. Renwick: Mr. Chairman, I was simply referring to the fact that the reason we must speak at length about this very first amendment is that we know we have only a short period of time left to debate this bill before the government will force its passage under the iniquitous ruling of this assembly on a precedent that has no place in our parliamentary democracy and that was forced through the standing committee on administration of justice by the Tory majority on that committee and was forced through this assembly by the Tory majority in this House.

They control the passage of this bill, and we know very well that unless we get our case before the members again in this House, we will not have an opportunity for very long to do so. The word came through very clearly.

I want to come back specifically to the amendment and the two reasons we are proposing it. When we considered the first item, that the board is defined as meaning the Inflation Restraint Board, we had a profound sense of the dishonesty of the name of that board, the misapprehension that will be created in the minds of the public and the deliberate misrepresentation of what that board is about.

I want to explain it to the members of the House who were not on the standing committee on administration of justice and did not have an opportunity of understanding the duplicity of the government in this bill, in the hope that some members of the government back benches will intervene to say that you cannot fool the public that way. We believe it was deliberate and it was a misrepresentation. I am very careful. I never level it against a member of the assembly, but in the collective judgement of the Tory government they want to create a false impression in the minds of the public.

The long title of the bill is very simple: An act respecting the Restraint of Compensation in the Public Sector of Ontario, that is one thought; the second is: and the Monitoring of Inflationary Conditions in the Economy of the Province. So what did the geniuses who drafted the name of the board do? They selected the word "restraint" from the first thought and combined it with the word "inflation" in the second, and they put it together and called it the Inflation Restraint Board.

It is a trick as old as can be that is used by governing parties everywhere to abuse the meaning of the language to create the impression that what they are doing is something other than what is being done. That is what has taken place here.

I had intended to bring down to the assembly today George Orwell's book 1984. If George were around, I am sure he would have perhaps said "1982" when he was referring to this bill, because it is precisely that kind of doublespeak which this government is using in this bill. That is what it is about; it is to fool the people about the bill.

In the time we have spoken, and on my calculation it is 73 days since we first got word of this bill, we have consistently and persistently tried to explain to the government that they cannot do this and they cannot get away with it. They cannot get away with it with the public because it is unfair, and that is why we believe we must speak at length and continuously on the borrowed time which this government is extending to us. They are listening to the debate in this assembly with mock politeness until such time as the word comes down to them that they must foreclose this debate. We know that will come.

It is very interesting that in South Africa they use the same device to abuse the use of the language and the words to create an impression other than what is being created.

Mr. Rotenberg: They do it in Russia too.

Mr. Renwick: They may very well do it in Russia. I do not know what I have to do with Russia.

Mr. Rotenberg: I beg your pardon. What do we have to do with South Africa?

Mr. Renwick: What do you have to do? I am illustrating to you what you are doing with the title of this bill.

We all know that there is a policy of apartheid to deliberately suppress the black people in South Africa, but what is the name of the bill that brings about the separation of the black

people from the white people in South Africa? It is delightfully named the Orderly Movement and Settlement of Black Persons bill; that is what it is called. How delightful. And what are the black people being granted? Their homelands and their independence. That is the language that is used when the government of South Africa talks about these matters.

When they want to interfere with the free movement of black people in South Africa, they have a bill entitled the Prohibition of Improper Interference Act. That illustrates exactly the kind of misrepresentation that is inherent in the name of this board and in the name of the bill before us.

8:40 p.m.

What George Orwell talked about when he said it was going to come to doublespeak has come to Ontario. The control this board has is to carry into effect the deliberate policy of this government so that the employers in the public sector of Ontario can break the contracts they have entered into. That is what the bill says. It says to every employer in the public sector, at all levels of government and through the multitude of public agencies of the province, "Whatever your arrangements with your employees are, whatever bargains you have made to pay them, under the collective bargaining system or under individual contracts of employment or by way of arbitration, this bill says you no longer have to honour those agreements." That is what it says; nothing else.

It is important that the members of the government party understand that the name of the board, Inflation Restraint Board, has nothing to do with the major purpose of the bill, which is to allow employers to break their contracts. We have made the point time and again. We have not had the opportunity for some time to make it in this assembly, but that is what we are talking about.

When the Treasurer (Mr. F. S. Miller) stood in his place and said the bill had three purposes, and itemized them, one, two and three, he said the third one was the really important one, the signal to the private sector. What was the signal he wanted to convey to the private sector? He wanted to convey: "We are breaking the contracts of the public sector employers with their employees. We want you to interfere with and to break, if you can, your agreements with the employees in the private sector."

The members of the Liberal Party in Ottawa got the message because only yesterday the federal Minister of Finance, lacking totally any

understanding of the collective bargaining process, threw his two cents' worth in on the Chrysler-United Auto Workers negotiations. What did he say? He said to the UAW workers, "Do what your union brethren in the United States, perhaps under different circumstances, are agreeing to do." What did he say to Chrysler Canada by inference? "You have my support not to bring an economic bargain to the table." That is what he said. "Let's have the strike continue." That was the inference in his words.

Mr. Rotenberg: Mr. Speaker, on a point of order: I suggest the honourable member is not speaking to the amendment to the bill. The Chrysler strike has nothing to do with the name of a board. I suggest we stick to the amendment, which is to change the name of the board.

Mr. Chairman: I have been listening very closely and have been making notes, and the last time the member made reference to the clause was one and a half minutes ago. I thought within the next 30 seconds he might get back around to mentioning the clause again.

Mr. Renwick: I was commenting about the name of the board, the Inflation Restraint Board. I was trying to indicate that the signals are going out very clearly. We all heard this morning about Stelco. What did Stelco do? Stelco said to the union, "You had better reopen your contract." When the man from Stelco was asked, "Are you saying you are not going to honour the contract that has been made?" he said, "Oh no;" but boy, will they pay a price when they come back to the bargaining table in 1984 if they do not agree to reopen their contract now.

That is exactly the kind of signal the Treasurer is conveying to the private sector and, if he is conveying it to unions such as the UAW and the United Steelworkers, whose comparative powers of collective bargaining are somewhat greater than those of individuals and others in society but dreadfully weak when compared to the bargaining powers of Chrysler or Stelco, what is happening in the small industries across the province where there is unorganized labour?

What is happening? It happened out at Canadian Pizza Crust Ltd. two months ago. Until the leader of this party raised the question in the assembly last Friday, nothing had taken place under either the Employment Standards Act or the Ontario Human Rights Code. Twenty-two women now in Canada from southeast Asia were laid off on the night shift. The whole of the night shift was locked out because the company

got the signal from the Treasurer as to what they were to do. They were not to restrain inflation; they were to increase unemployment. That is the only solution.

Mr. Jones: Mr. Chairman, on a point of order: The honourable member has alluded several times to comments made by the Treasurer, who has sent some supposed signal to the private sector suggesting that somehow or other they should behave in some particular way.

Mr. Stokes: What other conclusion can you draw?

Mr. Jones: I ask the member if he can refer us to the statement, the date or the occasion when the Treasurer made the comments attributed to him. Can the member just help us with that? I have some of the notes and statements with me. I would like to be following along.

Mr. Renwick: The member will find it in Hansard on September 21 or 22 in the statement by the Treasurer of Ontario with respect to this bill. He itemized three things, and the third one was the signal to the private sector. He deliberately said that of the three purposes probably the most important was the last one.

I will get the exact reference. I do not want to delay the debate on the bill while I look it up for the member, but it was on September 21 or September 22.

The first point I wanted to make was that the title of the board, if it is a reflection of the meaning of the bill, is a deliberate misrepresentation, because if it had been called the unemployment increase board or a board to increase unemployment in Ontario, then it would have been an accurate reflection of what the policy of this bill is.

We had the first inkling this afternoon. The bill has been under debate for 73 days. If we have anything to do with it, it will be under debate for 93 days or 100 days; but we do not have that luxury, we do not control the operation of this place. But we got the first inkling today.

What if this bill had passed? What if this bill had actually passed within the two weeks in which the government wanted it to pass? We would never have come near to the crunch which has started to occur. It began with the questions raised today with the Minister of Citizenship and Culture (Mr. McCaffrey) with respect to the cutback for next year of the moneys that are going to be available to that ministry. The minister said very clearly today, "I am going to get less money next year." I think he

said all the other ministries are going to get less money next year, one way or another.

I want to say to the government, they cannot have less money in the public service of Ontario without an attrition of jobs in the public sector. The ramifications, or whatever we call that, the spillover, will continue to increase unemployment.

Mr. Jones: That is not so, with all due respect.

Mr. Renwick: I believe tomorrow morning is when the new figures come out for unemployment. I do not know what they are, but I am fairly certain they will be increased. I could be certain if the parliamentary assistant to the Treasurer would table in the assembly tonight the number of persons in each ministry of the government currently on the permanent payroll staff and the number of persons currently under contract to each of the ministries.

Mr. Rotenberg: Mr. Chairman, on a point of order: With respect, we are discussing the amendment by the third party to change the name of this board. With respect, I suggest the honourable member is straying quite a bit from the purport of that amendment. What he says may be valid in other parts of the bill, but I suggest he save that for debate when that comes up—

Mr. Jones: They are not valid there either.

Mr. Rotenberg: —if they are valid; but they are not valid in this amendment.

The Deputy Chairman: Just having assumed the chair, I gave the floor to the member for Riverdale on the assumption that he would be speaking to the amendment. I ask him to carry on.

8:50 p.m.

Mr. Renwick: Mr. Chairman, I was pointing out that one of the benefits of the time that has been taken to debate the implications of this bill is that the government now knows that by this time next year there will have been a significant shrinkage in the number of people in the employment of the government of Ontario and in each of the other areas of the public sector.

The mythology of security in the public sector, which was given as the reason for trying to divide the labour movement in this province into two sectors, was that somehow or other the public sector had a greater security of employment than those who were at risk in the private sector.

Mr. Jones: Mr. Chairman, on a point of order: I know the enthusiasm with which the honourable member addresses his comments. He shared

a similar comment with us in the standing committee on administration of justice. I refer back to the original comments of the Premier (Mr. Davis) as he entered the debate on second reading and of the Treasurer as he made his motion. The comments were not to pretend that there was total job security in the public sector, but they did make the point, and the point has been made in debate in the justice committee, that one thing the public sector does have is that—

The Deputy Chairman: You are getting into the debate. This is not a point of order. The member for Riverdale has the floor. There are points of order sometimes.

Mr. Renwick: By way of response to the parliamentary assistant to the Treasurer, my colleague the member for Windsor-Riverside (Mr. Cooke) has given me one of the quotations of the Treasurer. There is a second one dealing with this question of the signal to the private sector.

It was in the statement of the Treasurer to the Legislature on Tuesday, September 21, in the afternoon. "The program we are introducing gives the private sector the opportunity to respond on its own to the need for restraint. However, if their efforts are not successful, the legislation enables the province to join with the federal government and the other provinces in a comprehensive national program."

That has gone up the flue, of course, with the Macdonald commission. There will never be any joint national program until there is a change in the leadership of the Liberal Party at Ottawa and when the successor to Donald Macdonald makes his report on the economy of the country. I interjected here because every time I think of the Liberals I have to interject, I am sorry.

"The steps this government is taking today are not merely symbolic. They should demonstrate to management and labour in the private sector that we ask no more of them than we do of ourselves."

My point is that hanging on the word "restraint" is the meaning of this bill. It is not restraint, it induces unemployment. That is what is happening day in and day out in Ontario disguised as some kind of omnipotent government policy that, somehow or other, taking money out of the hands of public service employees in accordance with their carefully negotiated agreements of one kind or other is going to restrain inflation when all it is going to do is continue to

increase unemployment. That is all it is going to do, the result is very clear.

Mr. Rotenberg: It is nonsense.

Mr. Cooke: It is not nonsense.

Hon. Mr. Ashe: It is complete nonsense.

Mr. Jones: One of the reasons for restraint, and you know it full well—

The Deputy Chairman: Order. The member for Riverdale has the floor. The member should not allow these interruptions to distract him.

Mr. Renwick: Mr. Chairman, I have great respect for the rules. Whenever my friend gets up I always like to yield the floor to him.

The first reason we introduced this amendment was the deliberate misrepresentation of what this board is all about. This board has nothing to do with restraining inflation. All it has to do with is to operate in place of the Minister of Education (Miss Stephenson), in place of the Chairman of Management Board (Mr. McCague) and in place of the Minister of Labour (Mr. Ramsay) with respect to the collective bargaining rights of the people in the public sector. That is all.

It is an abdication of the parliamentary responsibilities under this system of government of the Minister of Education, of the Chairman of Management Board and of the Minister of Labour. That is what it is about. Jack Biddell, who I believe is an unelected, appointed official of the government of Ontario, will take the place of those three ministers.

Mr. McClellan: He'll do their dirty work.

Mr. Renwick: He will do their work and destroy the statutes that were created by this Legislature to govern the relationship in an orderly, legal and proper manner between the people in the public sector service of Ontario, be they teachers, be they members of the Ontario Public Service Employees Union, be they members of the Canadian Union of Public Employees or be they members of the public service on individual contracts.

That is what the bill is about, and that is why we are introducing the amendment. We said: "What could be accomplished by this bill if we could get rid of part II of it? What could be accomplished with respect to the restraint of inflation in Ontario?" We decided—the member for Erie does not really listen; he has certain preconceived ideas—

Interjections.

The Deputy Chairman: Order.

Mr. Renwick: One of the interesting things the continuation of this debate by the New Democratic Party has done with respect to the Liberal Party is to peel off, one by one, members of that party. Very early on we peeled off the member for St. Catharines (Mr. Bradley), and he is opposed to the bill. A little while later we peeled off the member for Windsor-Sandwich (Mr. Wrye), and he is opposed to the bill. Tonight my friend the member for Erie left the caucus of the Liberal Party and said he was opposed to the bill.

Interjections.

Mr. Roy: You have a vivid imagination.

Mr. Renwick: I have no doubt that if the member for Ottawa East (Mr. Roy) stays in the assembly long enough to listen to the debate on any given occasion we shall get him to vote against it.

The Deputy Chairman: The honourable member should be speaking to the amendment having to do with the commission.

Mr. Renwick: My other remarks are going to be considerably briefer, because my colleague the member for Welland-Thorold (Mr. Swart) put the case for the reasons we substituted a fair prices commission for the Inflation Restraint Board. He put them at great length, he put them with great clarity—

The Deputy Chairman: That is what we are still debating, though.

Mr. Renwick: —and he gave some very clear and specific examples as to what a fair prices commission is about. He indicated quite clearly that is where the New Democratic Party takes its stand. That is where we do take our stand on this bill.

Should the government allow the debate to continue to the point where, one way or another, we were able to reach that part, we would introduce the kind of amendment we would likely distribute to the members of the government party and the members of the opposition some time in the next several days, setting out exactly what we mean by a fair prices commission.

In that amendment we set out exactly what we are about. I ask the member for Erie to listen to the substantial part—

Mr. Haggerty: If you control the prices you control the wages, and the member knows that.

Mr. Renwick: I ask the member for Erie to listen, that is all I ask him to do. This is what the substance of our fair prices commission will do. Where any person requests in writing that the

fair prices commission investigate a price increase that occurs or takes effect on or after September 21, 1982, and before January 1, 1984, the commission shall investigate and report on the price increase and shall determine whether the price increase is fair.

That is the purpose of it: fairness, equity. To us fairness means to be fair to everyone; that means fairness at the farm gate, fairness at the cash register, fairness throughout the system between the producer and the consumer. We have set it out in the bill and when the time comes to put that amendment—should we have the opportunity on the borrowed time we live on—then members will understand the kinds of considerations which we have itemized in our amendment that the commission is to take into account in determining whether any given price increase is fair.

We have also provided for rollbacks and increases if the decision is made that the price is not fair. We know the concept of fair prices to consumers and producers is not something that appeals to the Liberal Party and is anathema to the Tory party. We know they do not believe in fair prices; they believe in the cutthroat market price.

9 p.m.

I was reading the other night Sir Thomas More's *Utopia*, written many years ago, and I would commend it to the members of the Tory government. He foresaw exactly the kind of degradation of working people that would take place if we insisted on following nothing but a marketplace economy. He said it many years ago. In our own particular ways the Conservative Party, the Liberal Party and the New Democratic Party, when they have been the government, have introduced controls over the private marketplace.

Let us not kid ourselves about it, of course the government has; it intervenes all the time. It will deny it, but we are saying it always intervenes on the wrong side. That is what it has done with this bill, and that is why government members deny us our input, except by giving us this rope for the next few days to play along with this bill until they bring in closure on it.

I hope my colleagues and I, in speaking to this initial substantial amendment to the bill, will have the opportunity somehow to convey to the members of the government party that there is something fundamentally wrong with their bill and with the concept of the bill. I hope we have made them think a little about the nature of the misrepresentation on the one hand and the

merit, justice and equity of a fair prices commission on the other hand. That is all we are about.

I have spoken at too great length, and we want the bill to proceed as rapidly as possible, given the importance of the provisions of this bill, until, perhaps some time towards the end of the winter or late spring, the government may see the error of its ways, withdraw the bill and introduce, on the model of our amendment—we have no pride of authorship—a fair prices commission in lieu of the misrepresentation contained in the public sector restraint of compensation bill.

The Deputy Chairman: The member for St. Catharines.

Mr. Philip: I thought I got the chairman's eye first.

The Deputy Chairman: There is a general rotation that we do try to follow, and I can assure the member for Etobicoke that if there is anything left to say after the member for St. Catharines we will certainly give him—

Mr. Mackenzie: We are waiting with bated breath.

The Deputy Chairman: We like to give everyone a chance in committee.

Mr. Bradley: Mr. Chairman, I do want to give my friend the member for Etobicoke the opportunity to speak at some length. He has assured me this evening that he has a speech that could go anywhere from 20 minutes to three or four hours on this aspect of the bill.

I would like to take this opportunity to discuss this amendment, because it leads into an area that some of us have been very concerned about and that the member for Hamilton East addressed with his bill this afternoon, which some saw as having some possibilities. Even if the details were not acceptable to all, certainly it had a thrust that had some interesting possibilities for members of the House.

We are referring, of course, to the inadequacy of the bill under consideration in dealing with prices. It has been mentioned on many occasions in the discussion of this amendment that while the bill is relatively specific in those areas affecting wages and general compensation for public employees in Ontario, it is not nearly so specific in those areas that affect prices.

We recognize in the House that the provincial government does not have control over all prices, but there are many areas where the provincial government does have control over specific costs to consumers in this province. I

think all of us would recognize, for instance, that in the budget of the Treasurer, announced on May 13 of this year and delivered in this House, there was provision for an increase of, I believe, 17.5 per cent in the Ontario health insurance plan premiums that are charged in Ontario.

For many people, the employer assumes the cost of OHIP. This is written into a contract. For a larger number of people than most in this House would recognize, however, there is a circumstance where there are a number of people who are not covered by those kinds of provisions within a contract and must pay the cost of OHIP premiums out of their own pockets.

Therefore, those of us in the opposition find it unacceptable, as I suspect some on the government side would, and would be uncomfortable with it. This is a circumstance in which a 17.5 per cent increase is going to be perpetrated upon the people of Ontario, many of whom are going to have their own wages and compensation package limited to five per cent.

We are also well aware, as many in this House from all parties have recognized, at least the opposition parties, that there was a provision for an increase in hydro rates and a provision for increase in other forms of energy, most particularly natural gas.

Time and again we are told that governments do not have the power—and this is why this amendment addresses this problem—to legislate the cost of natural gas as it goes to the consumer in this province. We must be realistic, we are told, about the cost of hydro. That is why this amendment addresses that specific problem.

We in the opposition, at least on this side—and I am sure this is shared by all opposition members and, indeed, probably by many on the government side—feel that all of the increases which are under the jurisdiction of the provincial government, which would come under the jurisdiction of the amendment which has been proposed, should be within the same limitations as those of the wages and compensation package which is provided for in Bill 179.

We appeal to the government in this direction to ensure that it is as tough on prices within its jurisdiction—I do not want to be unfair enough to say that it can control prices outside of its jurisdiction—as it has been on the compensation package which is available to public employees in this province.

We are concerned, under the present wording of the bill, and the present provisions of that wording, that the Inflation Restraint Board has

rather arbitrary powers and is lacking in an appeal process.

I was going through a document dated October 14, 1975. It was a speech made in the House of Commons by the then Minister of Finance, the Honourable Donald S. Macdonald. It is nicely bound, of course, as all of these things are. It is done in both of our official languages of Canada. It is entitled, *An Attack on Inflation: A Program for National Action*. It is a policy statement which was tabled in the House of Commons by the Minister of Finance at that time.

One of the aspects of it which differs—and there are many who are proposing this particular legislation today who opposed this legislation as well—one of the provisions which was available within the national program that existed in 1975 was a provision for an appeal process in terms of a compensation package which was offered. Many people who felt they were hard done by under the provisions of the Anti-Inflation Board legislation, which was announced and passed by the federal government in 1975, at least had that opportunity to appeal to that Anti-Inflation Board.

It is our view that a prices restraint board would have the opportunity to review a number of prices that come before it, and that individuals within this province who saw what they felt was an unfair price increase would have that opportunity through the amendment which is proposed, if the government were to accept it, to reflect and rule upon those prices which would be within the jurisdiction of the provincial government to ensure that—to use common terminology in 1982—people would not be ripped off by unconscionable price increases.

The members would be interested to know that it reminds me of a bill which I received this past week from an automobile dealership. I had psyched myself up that it would probably cost about \$200 or \$250 because it seems one cannot get anything done to a car these days for anything less than that. The price was substantially higher.

Mr. Piché: Mr. Bradley.

Mr. Bradley: Yes?

Mr. Piché: Could you try to speak on the bill? You have not said anything. If I am going to sit in the House and listen to you, please get to the bill.

9:10 p.m.

The Deputy Chairman: The member is endeavouring to make an illustration and I am hoping it will tie into the amendment. I am allowing it.

Mr. Bradley: The chairman is very charitable in that regard and I appreciate it.

Keep in mind that as a member of this Legislature I am probably better paid than most of those employees who are going to be directly affected by this legislation. Also, I have a job for at least another two years. One never knows beyond that. Our "political enemies" would try to ensure that is not the case later.

The point I make is that I was hit with a bill of \$622. Almost \$100 of that bill was to replace what I thought was one light bulb costing about \$4. Many of the people who are affected by this bill in terms of the compensation package might well find themselves in a circumstance where they are faced with bills of this kind. You have to ask, where is justice to be sought unless there is a meaningful aspect of this bill which relates to prices?

This is why we in the opposition feel that more teeth should be inserted in this bill. If an individual in this province wishes to bring to the attention of the Inflation Restraint Board—to be renamed by the amendment to this bill—a price increase that is substantially unconscionable and is not substantiated by the necessity of profit or cost, that opportunity should be available to that individual.

If we are to say that there are no limitations on the compensation package which is available, then there can be no—

Mr. Piché: I do not understand what the member is saying. My good friend Sean O'Flynn, a good friend of mine, does not know what you are talking about. Please talk to him so I can understand your language.

The Deputy Chairman: Order.

Mr. Bradley: Thank you, Mr. Chairman, for calling the member for Cochrane North to order.

What we are saying is that we are unsatisfied with the teeth that are included in this bill in terms of the price side and the emphasis that this amendment holds for the price side is that there would be greater teeth.

Interjections.

Mr. Bradley: I will not answer the interjections because I know the chairman would want me to continue on in the thrust that I am making instead of replying to extraneous interventions in this debate.

The Deputy Chairman: I would ask the honourable member to tie his remarks into the amendment that is before the House.

Mr. Bradley: I am certainly attempting to do that, Mr. Chairman.

Interjections

Mr. Shymko: Are you suggesting that we roll back the settled wage increases of our public employees the way they have done in Quebec?

Mr. Bradley: We are dealing with a different province. I recognize that the member for High Park-Swansea is talking about Quebec, but the chairman wants us to talk about this specific provision of the bill.

We see within the present wording of the bill, if it is not amended, a circumstance where those who face special circumstances in the public service would not have the opportunity to go to the Inflation Restraint Board and say: "Here are special circumstances. We feel you should make a particular ruling in our case, taking into consideration those special circumstances."

That is where the bill is deficient and that is where we have to address an amendment to alleviate that particular circumstance. Not only should the people be able to make a presentation to the committee with these special circumstances, but once the Inflation Restraint Board has made a ruling then there should be a provision for an appeal.

It is highly autocratic. It is dictatorial in many ways. I think much of the opposition that you see would be abated to a certain extent if there was a provision through an amendment to this bill that—

The Deputy Chairman: You are deviating at this point. My patience is now at the point where I am asking the honourable member if he would please restrict his statements to the amendment.

Mr. Bradley: The chairman, having entertained the arguments of the member for Riverdale and, the other night, the comments of the member for Welland-Thorold, would certainly see that my comments are tied in as much with this amendment as were those comments made by the honourable members on the other side. What we are appealing to the government to do—

Mr. McClellan: Is the member supporting the amendment?

Mr. Bradley: I am not going to talk about what the New Democratic Party did to the workers in Saskatchewan when their backs were against the wall—

The Deputy Chairman: The honourable member will speak to the amendment.

Mr. Bradley: —and I am not going to talk about Manitoba or British Columbia.

The Deputy Chairman: I will tell you what you can speak to.

Mr. Bradley: I want to address the amendment that is before the House.

Mr. Philip: Mr. Chairman, on a point of order: I would like to ask the honourable member for whom I have the greatest respect—because I think he is probably deep down in his heart a hidden New Democrat who wants to break out—whether it is not true that in giving the impression he is in support of this amendment he has forgotten his party's position, which is that it will be unable to support the amendment the member has suggested to clause 1(a). Why does he hypocritically give a speech in support of the amendment while being prepared to vote against it?

The Deputy Chairman: The member for Etobicoke knows that is not a point of order. It is an interjection, not a point of order. I call upon the member for St. Catharines to direct his thoughts and words to this amendment before us.

Mr. Bradley: Which I most certainly will do. I thank the member for Etobicoke for giving me a chance to regain my voice through his intervention in the debate.

This amendment allows the opportunity—because we are not going to have other opportunities, apparently, to discuss amendments to this bill, since it is quite obvious the government's patience is being worn thin, as the chairman's patience is sometimes being worn thin—to present the kind of amendments we think would substantially alter this bill and make it, if not entirely acceptable, certainly more acceptable than the original bill. This amendment allows us the opportunity to do that and I am going to take advantage of that.

Mr. Chairman, what I am saying—and you might well agree with this, as a person who appreciates due process and the opportunity for people to appeal—is you might feel that by having a stronger prices aspect to this you are alleviating part of the problem that exists in the mind of the public. The public says, by and large, “We would not mind being held down in our increases if we could be guaranteed that somehow our costs are going to be held somewhere in the neighbourhood of nine per cent in the transition year and five per cent in the control year.” That is why I am addressing that particular problem.

If the government is prepared to yield, to put teeth into the bill in that direction and allow for a meaningful appeal process in terms of the

wage side, taking into consideration the extenuating circumstances that might exist in several of the cases that have been brought to our attention, both in committee and subsequently in the House and through personal representations to us, then part of the opposition to the bill, albeit a small part, would be diminished by that kind of conciliatory attitude. I have not yet heard from the government side if that is a possibility, but then again we have not been able to deal with those parts of the bill that would be directly affected by this.

I certainly would give the opportunity to government members to indicate their conciliatory attitude on this aspect of the bill. I cannot believe, for instance, that the member for High Park-Swansea (Mr. Shymko), as a person who represents all the people in his constituency, would not find it acceptable to have the bill changed in such a way as to be harsher on prices than is the circumstance at present or to provide for the provision of an appeal process in terms of the wage compensation package. I notice the member for High Park-Swansea is nodding, so obviously he feels that is the case.

He might then want to make representations, as I know the chairman, as an individual member of this Legislature, might want to make representations, to the Treasurer to ensure that those kinds of provisions are written into this bill. If you were to do so, as I have pointed out on other occasions in committee and on public occasions, part of the opposition to this bill would diminish.

As long as it is harsh on the wage side and on the compensation package side, and it has gums instead of teeth to deal with the price side, then there is going to be considerable opposition existing within the public service and among those people sympathetic to the plight of those, particularly in the lower echelons of the pay scale of the public service, who would find it difficult in our inflationary period to sustain some of the confining parts of this piece of legislation.

9:20 p.m.

I bring this to the attention of the members of the Legislature. I appeal to the government members to give this consideration. I only hope we will have the opportunity to proceed with those aspects of the bill that would allow us to make these kinds of amendments, because not dealing with those aspects of the bill in my view will mean the bill will pass as the government originally intended it.

It might well be fine politically for those who

are in adamant opposition to the bill to say: "Look at the Draconian measure being placed before us. It is totally unacceptable to place meaningful amendments to this bill because it is unacceptable, inequitable and unjust." However, when it comes down to short strokes, 70 members of the other side will make the ultimate decision on what form of bill will pass this Legislature. That is why we in the official opposition are saying, "Let us look at those parts of the bill which are most objectionable."

I recognize the entire bill is objectionable to many people in this province. But let us look at those aspects of the bill which are most objectionable. Let us have an opportunity to propose amendments to those aspects of the bill so that the bill that passes, although in general principle it has opposition from many of the people who are in the galleries tonight, will at least be a bill which has had some of its more objectionable parts removed and some of its more objectionable parts changed. Otherwise, the option we get is the original bill proposed by the government of Ontario. That appeal is made, and that caution is made to all of those who have been listening this evening.

Mr. Philip: Mr. Chairman, I am prepared to speak on the next amendment. I am quite prepared to have the vote taken.

The Deputy Chairman: Does any other honourable member wish to speak on this amendment?

Is it the pleasure of the House that the motion carry?

Some hon. members: No.

The Deputy Chairman: All those in favour will please say "aye."

All those opposed will please say "nay."
In my opinion the nays have it.

Mr. Cooke: They didn't say anything. How can the nays have it?

The Deputy Chairman: Call in the members.
10:21 p.m.

The House divided on Mr. Rae's amendment to clause 1(a), which was negatived on the following vote:

Ayes 19; nays 74.

Mr. Nixon: Mr. Chairman, I think you would be interested to know that three generations of the Grossman family are in the Speaker's gallery. Actually, with the minister, it may be four. I am particularly glad to welcome the former member for St. Andrew-St. Patrick. We like to think of

him as the real Grossman. He is welcome here any time.

Hon. Mr. Grossman: Mr. Chairman, I should like to thank the member for Brant-Oxford-Norfolk and indicate to him that my father tells me he used to think of the member's father as the real Nixon.

Mr. Nixon: We are both right.

The Deputy Chairman: In that case, maybe if we stay with the debate, clause 1(b) is before the House. Shall it carry?

An hon. member: It is still clause 1(a).

The Deputy Chairman: I did not know whether the spirit was so pleasant and ongoing that we would be able to complete the whole section. There has been so much debate. I recognize the member for Port Arthur. We have five minutes before the closing hour. Does clause 1(a) carry?

Mr. Foulds: Mr. Chairman, on a point of order: As I understand it, debate is allowable on clause 1(a), and our member for Etobicoke wishes to debate it. You have not put the question on clause 1(a), Mr. Chairman. You put the question on the amendment. The amendment was defeated, and 1(a) is now before the House for debate.

The Deputy Chairman: The amendment was defeated. Shall we now put the question on the whole section or on clause 1(a)?

Interjections.

The Deputy Chairman: We can debate clause 1(a), of course.

Mr. Foulds: Right, and my colleague from Etobicoke wishes to do that.

The Deputy Chairman: I recognize the member's fellow member from Etobicoke.

Mr. Philip: Thank you, Mr. Chairman. I have a second amendment to clause 1(a). I move that section 1 of the bill be amended by striking out clause 1(a).

The Deputy Chairman: To do such a thing would be to move against clause 1(a).

"Does clause 1(a) stand as part of the bill?" That would be the way to present your amendment.

Are we ready for the question on clause 1(a)?

Mr. Cassidy: Mr. Chairman, I heard you rule with respect to the amendment put forward by the member for Etobicoke. I believe that you were acting rather precipitately though, because I believe that member wished to speak further to the main question, which is whether clause

1(a) shall pass or not, whether or not his amendment is acceptable.

The Deputy Chairman: There is no need to worry. The honourable member may recognize that he made a motion and that motion was out of order. It is really whether clause 1(a) stands as part of the bill. He did not continue to speak. We can debate 1(a). We are in committee so honourable members can have the opportunity to speak.

Mr. Cooke: Mr. Chairman, we have put an amendment to this section of the bill—

Hon. Mr. Eaton: That is not a proper amendment.

Mr. Cooke: Shut up and listen.

The Deputy Chairman: That is abusive language. I would ask the honourable member to withdraw it. I ask this House to conduct itself with some order and decorum, and I have asked the member for Windsor-Riverside to be so kind as to withdraw the abusive words.

Mr. Stokes: Mr. Chairman, on a point of order—

The Deputy Chairman: I am not recognizing the honourable member; I have asked the member for Windsor-Riverside if he would withdraw—

Mr. Stokes: The member for Wellington-Dufferin-Peel (Mr. J. M. Johnson) should do the same. He made the same remark this afternoon.

The Deputy Chairman: The member for Windsor-Riverside had the floor. In the spirit of good manners in the House, I am going back to that member. I did not hear the interjection. If the spirit of this place can be as it usually is, I am sure there is a way of resolving it happily.

Mr. Cooke: Mr. Chairman, I will withdraw the remark. But we are adding more and more words daily to the list of unparliamentary words, as you interpret them. I will put my point of order. My point of order is that we are moving an amendment to delete clause 1(a).

Hon. Miss Stephenson: It is out of order.

Mr. Cooke: If the members in the Conservative Party would just close their mouths and let me finish—

Interjections.

10:30 p.m.

The Deputy Chairman: Order. That amendment—

Mr. Cooke: The precedent—

Interjections.

The Deputy Chairman: Order, all honourable members. I recognize the member for Windsor-Riverside.

Interjections.

The Deputy Chairman: Order. To clarify, the amendment as it was presented was out of order.

Mr. Cooke: Mr. Chairman, will you please let me finish?

Interjections.

The Deputy Chairman: I recognize the member for Windsor-Riverside.

Mr. Cooke: I wish the government House leader would have a little courtesy and let me finish the point of order. The point of order is that the precedents were set in the standing committees, both on the sales tax hearings, when the Liberal Party moved motions to delete certain sections of the sales tax bill, as well as subsections of the bill, as well as the precedent that was set in the justice committee on this bill.

The Deputy Chairman: According to the rules of the committee of the whole House, the amendment as put was out of order. I recognize the House leader.

Mr. R. F. Johnston: How come there are different rules here than in committee? I challenge your ruling.

The Deputy Chairman: Just before you did that, I recognized the House leader.

On motion by Mr. Wells the committee of the whole House reported progress.

The House adjourned at 10:35 p.m.

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Ontario, LEGISLATIVE ASSEMBLY

No. 162

Legislature of Ontario Debates

Official Report (Hansard)



Second Session, Thirty-Second Parliament

Friday, December 3, 1982

Speaker: Honourable John M. Turner

Clerk: Roderick Lewis, QC

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LEGISLATURE OF ONTARIO

Friday, December 3, 1982

The House met at 10 a.m.

Prayers.

STATEMENTS BY THE MINISTRY

WINDSOR COURTHOUSE RENOVATION

Hon. Mr. Ramsay: Mr. Speaker, on November 23, 1982, questions were raised by the member for York South (Mr. Rae) and the member for Sudbury East (Mr. Martel) concerning the protection of workers involved in a renovation project at MacKenzie Hall in the city of Windsor.

Interjections.

Mr. Renwick: Can we have a little order, Mr. Speaker, for this important statement?

Mr. Speaker: Order, please, so we may hear this important statement from the Minister of Labour.

Hon. Mr. Ramsay: My officials have completed their investigation, and I have reviewed their report. This detailed report sets out the chronology of action taken to protect the workers. The report has been provided to the honourable members who raised the matter. On the basis of material available to me, I conclude that the ministry officials have taken all proper and reasonable steps to ensure that the workers on the renovation project have been and are protected.

I might observe that I have received correspondence from both the Canadian Union of Public Employees, Local 543, and the city of Windsor, in which it appears that the parties are not in complete agreement on the various issues. In addition, there have been several work refusals, the most recent refusal occurring on Tuesday.

It appears there may be a problem of communication and co-operation between the parties. Accordingly, I have asked that the industrial relations adviser of the occupational health and safety division, Mr. Cliff Basken, arrange a meeting with the parties together with the construction health and safety officer involved in an attempt to resolve any outstanding issues to the mutual satisfaction of the parties. I understand that Mr. Basken now is setting up

that meeting. I shall be pleased to inform the members who raised this question of progress as reports are received.

LEAD ASSESSMENTS

Hon. Mr. Ramsay: Mr. Speaker, I have a second statement. As honourable members know, I have been concerned for some weeks now about lead levels in the air of the spray painting booth of department 951 at the Westinghouse Canada Ltd. plant on Beach Road in Hamilton. Last Monday I provided honourable members opposite with a report on this situation. The report referred to air sampling tests in the booth that had been conducted on October 28 and for which we were awaiting results.

These results were provided to me on Wednesday night. They showed that lead levels in the air in the booth while green paint was in use on October 28 were significantly higher than the province's lead regulation permits. Further, the respirators in use at that time did not afford full protection to the workers in the booth.

As a result, officials have visited the plant. An order has been issued that all persons working in the spray painting booth be equipped with powered air-purifying positive pressure respirators whenever they are working with a lead-based paint. This order was issued at approximately 3:45 p.m. yesterday. These respirators will be required until it can be demonstrated to the satisfaction of both the joint health and safety committee at the plant and my officials that ambient-air lead concentrations in the spray paint booth do not exceed the level below which protection is afforded by a simpler type of respirator.

I might add that workers in the spray paint booth have been wearing respirators approved by the National Institute for Occupational Health and Safety of the United States. The more sophisticated respirators covered by yesterday's order provide the added protection that is required consistent with the lead levels that have been found when some lead-based paints are sprayed.

I also wish to add that at 2 p.m. today senior officials from my ministry's health and safety and mediation areas will be meeting with the

joint health and safety committee at the plant and with members of the plant's senior management. This meeting has been called to review in detail the progress that is being made at the plant in designing and implementing a comprehensive lead-control program. I have instructed my officials to provide me with a report on that meeting as soon as possible, and I expect immediate and effective progress as a result.

Just before leaving for the House today, I received a memorandum from the assistant deputy minister of the occupational health and safety division in respect to Westinghouse and some comments that were allegedly made by the member for Sudbury East (Mr. Martel). I think it is important that I read this memo.

"This morning's issue of the Toronto Star contains a story entitled 'Province Misled on Lead Pollution, MPP Charges.' The third paragraph of that story, referring to a report prepared by me and referred to by you in the Legislature last Monday, reads as follows: 'It is "so erroneous I conclude she"'—referring to me—"set out to be deliberately misleading. She has to go," Mr. Martel, MPP for Sudbury East, said yesterday.'

"The statement that I set out to deliberately mislead you or anyone else is, of course, totally false. I am providing you with a chronology of events, which establishes that all of the information in my possession was given to you in the report. I wanted you to know that I regard a false allegation of this sort as a very serious attack on my personal and professional integrity. Indeed, I believe it is defamatory, and I will be seeking legal advice as to my legal rights."

SALES TAX GRANT FOR SENIORS

Hon. Mr. Ashe: Mr. Speaker, I would like to inform the honourable members of an important event in the government's annual program of tax relief for Ontario's senior citizens.

Mr. Martel: Here we go again.

Mr. McClellan: Are you going to have more phone lines this time?

Mr. Speaker: Order.

Hon. Mr. Ashe: I am pleased to announce that today the Ministry of Revenue is mailing more than \$44 million in sales tax grants to seniors throughout the province.

Mr. Nixon: Can you get them out by Christmas?

Hon. Mr. Ashe: With Canada Post under the indirect jurisdiction of the Liberal government, I cannot guarantee it, no.

Mr. T. P. Reid: It is being run by a former Ontario Tory deputy minister. No wonder.

Hon. Mr. Ashe: They needed something to help it along, that is for sure.

Mr. Speaker: Perhaps we can address these matters under the next item of business. Please proceed with your statement.

Hon. Mr. Ashe: Thank you, Mr. Speaker. I apologize.

In total, 886,671 seniors will receive the \$50 annual grant payment well in time for Christmas, thanks to the goodness of God and Canada Post, of course.

Full information about this mail-out is provided by another in our series of constituency office information bulletins, which are also being mailed today. In addition, advertisements will run tomorrow in all Ontario daily newspapers. I remind the members this morning, however, that those who have turned 65 during the last three months of 1982 will receive their cheques in January.

I also point out that as a natural result of our enthusiasm for this program, some 1,500 sales tax grant cheques were mailed early. These cheques are dated today, December 3, 1982, as are the cheques that were released this morning.

10:10 a.m.

As well, I wish to take this opportunity to briefly update the members about the mailing of the 1982 property tax grant cheques for seniors.

As of the end of November, we have processed 524,188 applications, which has resulted in the production of 519,187 cheques averaging \$240 each. This means the average annual entitlement for seniors is close to \$480 per household.

Of the 546,171 applications received thus far from seniors, 21,983 require additional information which has been, or is in the process of being, requested from the seniors concerned.

CORRECTIONAL STAFF PRACTICES

Ms. Copps: Mr. Speaker, on a point of privilege: I wish to draw something to your attention and perhaps get a ruling on it.

I realize that, unfortunately, the authorities at correctional institutions have the responsibility or the right to open mail from anybody, including members of the Legislature, in advance of it actually being delivered to the inmate. But I point out to the Speaker that I sent a letter to a constituent in the Guelph Correctional Centre on November 23, and the letter was returned to me as sender because the constituent happened

to be on parole. In the meantime, the officials at Guelph Correctional Centre took the opportunity of opening the letter, and presumably reading it, before they returned it to me.

I believe that is a breach of my rights as a member of the Legislature, and I would like you to investigate that.

Mr. Speaker: I am not sure whether it is, but I shall take it under advisement.

ORAL QUESTIONS

JOB CREATION

Mr. Peterson: Mr. Speaker, I have a question for the Deputy Premier as the senior member of the government in the House today. The Deputy Premier is no doubt aware of the disgraceful unemployment figures that came out this morning. I assume he has been briefed and is prepared to speak on behalf of the government this morning and tell us what the government's response will be. He is aware that the rate now is 12.4 per cent in Ontario, up from 11.7 per cent last month. We now have 564,000 unemployed, up from 532,000 a month ago, an increase of some 32,000.

The Deputy Premier is also aware there was a job creation program in the budget of last May that created some 33,000 jobs, according to the government's own figures. The great majority of those jobs now have been created. The new program is going to create 38,000 jobs. That is roughly one month and six days of new unemployment. Will the minister now agree with me that is a totally inadequate response to the greatest crisis of our time?

Hon. Mr. Welch: Mr. Speaker, I think it is very important to underline the fact that it is a response. The Treasurer (Mr. F. S. Miller) and the Premier (Mr. Davis), in answer to questions from the Leader of the Opposition, have pointed out from time to time the initiatives that have been undertaken by this government within the realm of its responsibilities as well as its willingness to co-operate with the senior government in programs it is prepared to become involved in.

Although one talks about the specific numbers of people who will benefit immediately by such programs, be they those initiated by this government or in partnership with the senior level of government, there are a number of spinoffs that are very important considerations as well.

I know—and the honourable member is a fair man—no one is particularly pleased to read these monthly reports with all the social impli-

cations they bear. There is not a member of this House who would not be delighted to see this trend reversed and who would not want to be associated with any programs that would create that climate. Governments themselves do not create jobs. The Treasurer and the Premier have pointed out that we want to be party to and in co-operation with programs that create the climate that will provide the incentive for some improvement in the economic situation.

At this stage I might remind the honourable member that there are many places in this province where the burden is even greater. I come from an area, shared by other members of this Legislature, where the rate of unemployment is far too high; it is the second highest in the province. There is no question that is of great concern because of the social consequences and the assault on human dignity. We all would want to be party to doing some things along those lines, and the Treasurer and the Premier over a period of time have listed those particular initiatives with which we have been associated and through which we have provided some resources.

With your permission, Mr. Speaker, I will refer the balance of this answer to the Minister of Labour, who is just back from Ottawa, having been in the company of the Treasurer signing an agreement with the government of Canada related to some programs that would create some employment opportunities here. Perhaps the Minister of Labour could provide the House with some details on that as well.

Hon. Mr. Ramsay: Mr. Speaker, it is correct that the Treasurer and I were in Ottawa yesterday to meet with the Honourable Lloyd Axworthy, the federal Minister of Employment and Immigration, to formally sign the documents between the federal government and the province. Combined with the joint initiatives and the separate initiatives of the federal and provincial governments, it brings the amount to be allocated to job creation in Ontario at this time to \$280 million. This is new money, not money that was spent by the Treasurer earlier this year.

What impressed me most about our meeting yesterday, and there were senior officials in attendance as well, was the absolute feeling of co-operation and good spirit between the two levels of government. So often we seem to be going in opposite directions, but there was no doubt at all yesterday, and in the meetings I attended prior to that, that there is a very genuine effort on the part of both levels of

government to put all other matters aside and to concentrate on the problem.

The other key point that came out of the sessions yesterday related to the fact that there were original indications that it might be into January or so before these programs could be commenced. The feeling yesterday was that that was too late; that we had to start doing some things right away, instead of waiting for the appointment of an advisory committee. It was felt we should let that come along in due course but get on with the job of creating new jobs.

The Deputy Premier touched on one very important point; that is, while 38,000 jobs will be created up front, and that is an impressive figure, there will be a very definite ripple effect, since goods and services will be required for these projects, and that will result in further employment or stabilized employment in other areas.

There is another point that should be made. Every effort will be made, or preference given, to projects created in areas of greatest need. The Deputy Premier referred to the St. Catharines area, and we can also refer with no pride whatsoever to the situations in Windsor, Sudbury, Sault Ste. Marie and so many other parts of the province. But efforts will be made to get into those areas, perhaps even a little more quickly than into some of the others.

Mr. Peterson: I will go back to the Deputy Premier. I appreciate the spirit in which the Minister of Labour has responded to this question. Presumably there is some co-operation now between this government and the federal government, and I appreciate and respect that. But I go back to my friend the Deputy Premier, who says it is not his responsibility because he just has to create the atmosphere for jobs.

Given the fact that this government is the first one there to take credit if any jobs are created, but the first one to disavow any responsibility when jobs are lost, will the Deputy Premier not agree with me that, as a policy matter of the cabinet, in which he is such an influential opinion leader, his government's response of \$280 million in total in conjunction with the federal government is inadequate and not enough in the circumstances?

Given the 38,000 jobs he will create by his figures, given the numbers today that he is aware of, given that we are employing 160,000 fewer people than we were a year ago, given that we have the poorest and worst job creation record in Canada—worse than Newfoundland—

will he not agree that the response by his government and the federal government is totally inadequate? We need emergency programs putting more money into job creation, not in January but right now.

10:20 a.m.

Hon. Mr. Welch: I think it is important to underline that as far as this government is concerned the number one priority is this whole area of job creation. This government will continue to fight for the people of this province to ensure the opportunities we feel our people deserve.

I repeat what the Treasurer has already listed from time to time: the Board of Industrial Leadership and Development initiatives, the technology centres and the retraining programs. In the spirit of the agreement to which the Minister of Labour made reference, we recognize the role of government as the catalyst or the stimulator, as the case may be, to make sure we do our share in co-operation with other levels of government, be it the government of Canada or the municipalities. The municipalities certainly will be willing partners here. We should not overlook our work in the private sector as well.

It is through this concerted action that we are doing all we can together, recognizing it is not the responsibility of any one area of the economy, but of working together in a concerted, national effort to get the people of Canada back to work.

Mr. Rae: Mr. Speaker, I was interested to hear the Deputy Premier's announcement today of a dramatic shift in government policy and that job creation is now the number one priority.

If that is the case, how can the Deputy Premier explain that while the Minister of Labour and the Treasurer were signing an agreement in Ottawa with respect to the \$280-million program, the Minister of Citizenship and Culture (Mr. McCaffrey) was on his feet in this House announcing cutbacks in the field of the arts and culture which are going to have the impact of losing jobs and of creating unemployment in that field? How can the government announce a job creation program on one day and on the very same day announce cutbacks that are going to create unemployment?

Hon. Mr. Welch: Mr. Speaker, I was here to hear that answer, and the Minister of Citizenship and Culture was very careful to point out that there were negotiations going on in the allocation process. Whatever the final results of

those discussions are, they will be announced in due course.

I am surprised the honourable member is attempting to suggest this government has just discovered the need to attach high priority to this very important social emphasis. The whole spirit behind Bill 179, which is before this House at present, is the preservation of jobs in a sensible way. This group ignores that.

Mr. Martel: How many jobs does that create?

Hon. Mr. Welch: It saves jobs.

Mr. Martel: Tell that to the teachers in Sudbury.

Mr. R. F. Johnston: Tell that to the people at Children's Hospital of Eastern Ontario in Ottawa.

Mr. Speaker: Order.

Mr. Bradley: Mr. Speaker, in view of the fact that the unemployment rate in St. Catharines-Niagara and certain other communities is extremely high—in St. Catharines-Niagara I believe the figure is 19.1 per cent—will the Deputy Premier indicate to the House whether his government is giving consideration to providing the regional municipality of Niagara with special additional funds so it may meet its additional obligations in view of the pressures placed on its social services department as a result of the unemployment funds being exhausted?

Is he contemplating a certain figure in terms of unemployment? Is that one of the strategies the minister is looking at? Is he contemplating a certain figure, say 14 or 15 per cent, whereby the province would kick in substantial extra moneys in order that these municipalities can meet what are going to be some pretty genuine needs this winter?

Hon. Mr. Welch: Mr. Speaker, as I mentioned in the answer to the main question, I am sure my friend the member for St. Catharines shares my concern, and that concern is shared by all of us who represent constituencies in the Niagara area, with respect to the very high rate of unemployment there. Certainly those municipalities, whether the regional municipality or the local municipalities, will be dealing with the Minister of Municipal Affairs and Housing (Mr. Bennett) with respect to those aspects of the program signed yesterday in Ottawa as they will affect our area.

We will work together with government to make sure we get our share of those particular funds in the spirit of the whole program, which is job creation. We are hoping to keep people away from any sense of dependency on the

social service delivery system. As well, I am sure we will address the question of social assistance requirements as those needs persist.

Mr. Peterson: Before I ask my second question, Mr. Speaker, may I correct the record? I inadvertently made a mistake. I apologize to the honourable members.

I said there had been 160,000 jobs lost since a year ago. That is not correct. There have been 160,000 jobs lost since last May. In fact, there have been 216,000 jobs lost since a year ago in November. So in the May figures it says we have lost almost 1,000 jobs a day since the last budget. I knew members would want to know that. I apologize.

GAINS PAYMENTS

Mr. Peterson: Mr. Speaker, may I ask a question of the Provincial Secretary for Social Development?

The provincial secretary is no doubt aware of the Social Planning Council of Metropolitan Toronto report just released which says that elderly women living alone in Ontario are among the poorest members of our society. Indeed, 60 per cent of women over 65 are living below the poverty line. She is also no doubt aware that we on this side of the House have been pressing for improvements in the pension system for some considerable period of time. She is no doubt aware of the royal commission's recommendations, as well as the select committee's recommendations.

Given that we have a situation where the median income of an elderly woman between 65 and 74 who lives alone is only \$5,645, and as she ages over 75 her median income drops to some \$4,964, will the provincial secretary not agree with me and the select committee that we should move immediately in Ontario to improve the single rate for the guaranteed annual income supplement up to 60 per cent of the double rate? Will she not agree that is an emergency right now?

Given that the social planning council said the only real gains in income that this group of disadvantaged people have had in Ontario are through the federal guaranteed income supplement, does that not indicate to the provincial secretary that the federal government has at least tried in that area but that the provincial government's response has been totally inadequate and that we should respond today to meet the needs of this important, but disadvantaged, group of people?

Hon. Mrs. Birch: Yes, Mr. Speaker, I am aware of the report. I am also aware of the recommendations of the pension commission, and all those recommendations are being considered. I do not think we should move ahead today. We have a great many problems that have to be addressed; this is one of them. This government, in these very difficult economic times, is attempting to meet the needs of as many people as possible.

I am aware that there are difficulties, but I do not think the difficulties are as great as the Leader of the Opposition may be attempting to suggest they are. He talks about the income, but he does not talk about the other programs that do provide help to those who are in particular distress.

I recommend that the Leader of the Opposition be very cautious in putting too much attention on this particular group. There are many groups in society today who are facing really difficult times. This is one group we are attempting to help, and we will be addressing that problem as the economic climate improves.

10:30 a.m.

Mr. Peterson: I am having trouble with the Provincial Secretary's answer. Is she saying that they are not in very much trouble or that everyone is in bad trouble, or what is she saying—that she is not prepared to respond, or that she does not agree that these people, as the social planning council is saying and as a lot of other groups have said, are probably the most disadvantaged group in society and she is not prepared to respond? Is that what she is saying?

Hon. Mrs. Birch: As usual, the Leader of the Opposition attempts to change everything around and to put words in people's mouths. I do not need the Liberal leader to put words in my mouth. I know whereof I speak.

I have a great deal of involvement with senior citizens in the province on a continuing basis, much more involvement than the Liberal leader has. I would suggest to him it is one of the few groups in this society from whom I have very few complaints. They are very grateful for the help they do receive.

Also, I would like to remind the Liberal leader that—

Interjections.

Mr. Speaker: Order.

Hon. Mrs. Birch: —they find it extremely offensive to have people suggesting they are very disadvantaged and that they are living below the poverty line. The Liberal leader, I

would suggest, should think very carefully before he labels the senior citizens of this province as being disadvantaged.

Mr. Rae: Mr. Speaker, lest we draw the conclusion that Marie Antoinette is alive and well and living in Queen's Park, I wonder if—

Interjections.

Mr. Rae: She should think through carefully the implications of what she has just said.

Could the minister tell us whether or not she would agree that a possible implication of what she is saying this week in response to questions about poverty among senior citizens, particularly women who are living alone, and what she said last week in response to questions about young people who are left alone by the government, facing the challenge of unemployment, is that there are so many groups out there that need help that this government is unable to respond to any of them? That seems to be the clear implication of what the minister is saying. Could she clear that point up?

Can she give us one example of a group that she has identified as needing special help and where she has indicated that she and her government are prepared to act?

Hon. Mrs. Birch: Mr. Speaker, I do not feel I have to be defensive about this government's attempt to help those in need in this province. I think we have a very good record. If the honourable member would come down out of that fairy-airy castle he dwells in, and just look at the problem a little more realistically, there are a lot of people who are facing difficult times in this province at this moment.

Mr. Swart: You found that out, did you?

Hon. Mrs. Birch: I have known it for many years. I did not have to come here and be told by the opposition. I am very much aware of it, and we are doing everything we possibly can to alleviate those problems.

Mr. Peterson: Frankly, I find the response from the superminister responsible, absolutely bloody outrageous, that she would sit there and try to defend all this nonsense that she knows is incorrect, when the select committee, her own members and the social planning council agree, and there is not anyone else who has studied the problems who does not agree, that there is a serious income problem for people in that area. She knows it.

Would she not agree with me that we would be far further ahead to get rid of her ministry and give the money to people who deserve it and at least do something worth while in this province?

Hon. Mrs. Birch: I would suggest to the honourable leader that perhaps he might take a good look at some of the reports from the Metropolitan Toronto social planning council. If he gets all of his information from them, perhaps he should go out to the general public and have an opportunity to meet with them.

Ms. Copps: We hear it every day in our constituency offices.

Hon., Mrs. Birch: I do too. I have a constituency office too. Very rarely do I have complaints from this particular group in society.

JOB CREATION

Mr. Rae: Mr. Speaker, I had a question for the Minister of Labour and manpower; he is right here.

Mr. Foulds: He's seen the moving finger.

Mr. Rae: I shall wait for him.

Mr. Speaker: You may place the question. I am sure the minister can hear it on his way in.

Mr. Rae: It is sometimes more difficult to do two things at once. I would just as soon that we concentrate so that I shall have the full attention of the minister.

I should like to ask the minister a question: In his capacity as the Minister of Labour and manpower with respect to the agreement that he signed yesterday, the minister will know that the 38,000 jobs that are being created are being created over an 18-month period, which is a little over 2,000 a month. The minister will also know that in November the province lost 32,000 jobs.

Does the minister not think that, given the juxtaposition of those two figures of just over 2,000 jobs being created and 32,000 jobs being lost, the government has an obligation to completely rethink its approach to job creation? Does he not think the unemployment problem has become much more severe and much more dramatic than the government may have been thinking at the time it was planning to sign this agreement?

Hon. Mr. Ramsay: Mr. Speaker, I think I responded to much of what the honourable member has said in my remarks earlier as a supplementary to what the Deputy Premier (Mr. Welch) was saying. I said at that time, and I will repeat it, that real priority has been given to getting this job creation program off the ground in a hurry and getting it working immediately.

Now, while I say this, members have to bear in mind that there still are some logistics problems in doing just that. But we are optimistic that we

will be able to get a lot of people involved in a short period of time and, as I also said earlier this morning, I think the 38,000 figure is misleading, because that figure is going to have a ripple effect down through the economy. Goods and services are going to be required for these various projects, and that in turn will have a positive effect.

Mr. Rae: The only figures we have to go on, misleading or not, are the figures that have been given to us by the Treasurer (Mr. F. S. Miller); he did not give us any other figures. If the government wants to give us other figures with respect to its projections on employment and unemployment, I am sure all members will be glad to receive them; but we have not received those figures yet.

Given the statement by the Minister of Labour's predecessor, now the Minister of Consumer and Commercial Relations (Mr. Elgie), when the government's severance pay legislation was introduced some time ago, that this legislation was the best in North America, how does the minister feel about the fact that a summary of the information over the last 21 months shows 3.6 per cent of laid-off workers have received severance pay pursuant to the legislation—less than four per cent? How does he feel about that figure? Does he really think that is worthy of a government? Does he really think that kind of severance pay provision in any way meets the cost of unemployment for unemployed people?

Hon. Mr. Ramsay: I am a little confused as to the percentage the member has quoted. He is telling me that less than four per cent of those laid off have received severance pay? Surely he is not saying that.

Mr. Wildman: Yes, that is what he is saying.

Hon. Mr. Ramsay: Well, I find those figures a little confusing, and I would want to do some research before I tried to answer that question.

Mr. Conway: Mr. Speaker, supplementary to the first question put by the leader of the New Democratic Party: Having regard to what the minister has told us about the signing in Ottawa yesterday, which brings Ottawa and Toronto together in this job creation program, and having further regard to the truly tragic figures today of unemployment now at 12.4 per cent in Ontario, can the minister indicate in specific terms to the unemployed people of the Ottawa Valley and elsewhere how and when they will be able to opt into this new federal-provincial arrangement that was born, we hear, out of great and happy co-operation? How and when

can they specifically know how they can take advantage of the new arrangement?

Hon. Mr. Ramsay: Mr. Speaker, I think the key point is that this program is designed for exhaustees, those people whose benefits have expired under the Unemployment Insurance Act. I also understand that procedures are being set up now at the various federal manpower centres across the province to register these people and to start to put them in the right positions as far as their skills and talents are concerned for the projects that will be developed.

10:40 a.m.

Mr. Rae: The minister may understand my sensitivity about figures but I want to come back to him and simply say that in the 21 months under review, the Ministry of Labour has identified 51,452 indefinite and permanent layoffs. Of these, some 3,400 employees were eligible for severance pay under statute, i.e., 6.6 per cent. However, only 1,865 received severance pay under the provincial statute. Those are the figures, from the 21-month review that we are using in terms of severance pay.

As a final supplementary question: Will the minister at least look into these figures with respect to severance pay? Would he not agree that even if it was double that amount, eight per cent, it would mean that 92 per cent of those workers that have been permanently or indefinitely laid off are not receiving severance pay under statute in this province? Does the minister not think that is a disgraceful situation? Does he not realize it puts the full burden and full cost of unemployment on the unemployed people themselves?

Hon. Mr. Ramsay: In response to the member I will look into the matter, as he has requested.

GASOLINE PRICE DIFFERENTIAL

Mr. Rae: Mr. Speaker, I have a new question of the Minister of Energy. It relates to him and his responsibility as the minister responding for Suncor.

He will, I am sure, know that the Ontario Energy Corp., in its annual report referring to the government's investment in Suncor, said: "The purchase gives Ontario an important new opportunity to get a seat at the table in the rapidly changing oil and gas scene. The timely additional information gained will provide greater opportunities for Ontario to influence national energy policy-making and to protect the interests of consumers."

Since the government now would appear to

have a seat at the table at Suncor and it is there, according to its own report, in order to help consumers, I wonder if the minister can tell us whether he has given any instructions to those who are sitting at the table of Suncor with respect to the differential between leaded and unleaded gasoline?

Has there been any investigation started on this question? Is the minister aware of any investigation? Could he tell us anything about it?

Hon. Mr. Welch: Mr. Speaker, perhaps in response we should get one or two things correct. I am not the minister responsible for responding to the House for Suncor. I am the minister responsible for replying in the House for the Ontario Energy Corp. and, as part of the portfolio of the Ontario Energy Corp., there is an interest in that integrated oil company.

Indeed, in the spirit of the earlier questions with respect to job opportunities, I might remind the member that because of the involvement of Suncor and the decisions taken with respect to the upgrading of the refining facilities in Sarnia, there has been a tremendous economic spinoff throughout this whole province.

We have benefited greatly in job creation because of the decision, which was a very positive decision of that company, to get involved. When one thinks in terms of the almost \$1 billion worth of investment by this particular company and the spinoff throughout not only Ontario but other parts of Canada, I think Suncor is to be commended for at least showing some confidence in this country and spending in the way it does. There is a tremendous spinoff.

I would also expect that this company, in which we have some interest, would follow the request of the government of Canada. I understand the federal minister responsible has indicated he is carrying out an investigation in this whole area.

In response to the questions that were directed earlier this week to my colleague, this company would co-operate and provide whatever information is required as part of that investigation.

Mr. Rae: The Deputy Premier has really missed the boat on this one, I am afraid. The Minister of Consumer and Corporate Affairs in Ottawa has said the exact opposite of what the Deputy Premier has just reported to the Legislature. The federal minister said he would not order an investigation and that is why we have been pressing the minister here to order an investigation. That is the reason we have been

addressing questions to the Minister of Consumer and Commercial Relations (Mr. Elgie).

Mr. Speaker: Question, please.

Mr. Rae: In that context, I would like to ask the minister this: Will he call in the chairman of the Ontario Energy Corp. and ask him immediately to launch an investigation into the price differential between leaded and unleaded gasoline as it affects Suncor and consumers of Suncor?

If Suncor's market share is consistent across the province and if the price differential between leaded and unleaded gasoline is the same, as it would appear to be by a series of random phone calls we have made, Suncor's own share of this ripoff is somewhere between \$6 million and \$8 million. If the purpose of having bought into Suncor is to protect the interests of consumers, why is he not prepared to take an interest of behalf of consumers with respect to this particular issue?

Hon. Mr. Welch: I can only underline the response which my colleague the provincial minister shared with the member in response to his questions earlier this week. He has written to a federal minister. He leaves the responsibility there. This company, along with any other companies, will certainly respond to whatever directions are issued by the federal minister.

Mr. Peterson: Mr. Speaker, it appears that even the New Democratic Party has turned on the minister and is seeing the folly of that original purchase of Suncor. I think I hear that from my friends on the left.

Given the fact the investment the minister brags about would have happened anyway as it was in the works before he got his paws on it, given the fact that his window on the industry has turned out to be opaque, given the fact that in the first nine months of his proprietorship it has now cost taxpayers \$52 million out of pocket, given the fact that the Provincial Secretary for Social Development (Mrs. Birch) says we do not have enough money for worthwhile projects such as helping the province's seniors, and given the minister's constant refrain—

Mr. Speaker: Question, please.

Mr. Peterson: —that we do not have enough money to create jobs, would the minister not agree with me that it is time to sell Suncor and put that money into projects that do something for Ontario and create jobs here?

Hon. Mr. Welch: Mr. Speaker, that is hardly supplementary to the question proposed by the member for York South. The member for York

South is quite legitimately interested in looking after the consumers of this province and has asked a question in the interests of the consumers, only to provide the Leader of the Opposition with the opportunity further to tighten the noose around his neck in so far as this investment is concerned.

Let us take a look at what has happened in Ontario since it acquired its interest in Suncor: jobs, jobs, jobs in this province. Let us face it; let us look at the business that has gone on even in ridings represented by members of the official opposition. Look at the contracts Suncor has entered into in Hamilton, Corunna, Acton, Burlington, Mississauga—

Ms. Copps: You have to be kidding. How can you say that?

Interjections.

Hon. Mr. Welch: —Hamilton, in the riding of the member for Hamilton Centre (Ms. Copps); Oakville, St. Catharines, Stratford and Brampton. I just cannot take all the time of this House. There are 51 contracts; hundreds of jobs in Ontario funded by contracts awarded by this company.

To try to confuse the people of this province by talking in terms of a capital investment, a one-time investment, to cover long-term operating costs is really stretching things. Against the background of so many other companies backing away from projects to which they were committed, Suncor has stuck by its commitments. There is almost \$1 billion worth of investment and many contracts. We can list ridings all through Ontario that have benefited by these significant events.

Is that not responsible corporate citizenship?

10:50 a.m.

Mr. Peterson: Mr. Speaker, when you are considering the awarding of Emmys this year, I would like you to consider that performance.

Hon. Mrs. Birch: On a point of personal privilege: I would like the Leader of the Opposition to withdraw the statement he attributed to me that this government did not have enough money for social services. I would like to remind the member and the other members in this House that this government spends two thirds of the total provincial budget on social services in this province.

Ms. Copps: Since we are into points of privilege, Mr. Speaker—

Mr. Speaker: We are not, because that was not a point of privilege.

Ms. Copps: I have a point of privilege with respect to the statement made by the Deputy Premier that he was bringing help to places like Hamilton, which has an unemployment rate of almost—

Mr. Speaker: That is not, with all respect, a point of privilege.

Hon. Mr. Welch: If I could just respond to that, Mr. Speaker—

Mr. Speaker: No, you cannot. Order.

Interjections.

Mr. J. A. Reed: On a point of privilege, Mr. Speaker: Would you not consider the notion that the Deputy Premier was trying to convey in his answer, that the 25 per cent investment in Suncor somehow specifically—

Mr. Speaker: Order. The member for York South, final supplementary.

Hon. Mr. Welch: I am not misleading the House.

Mr. Speaker: Did the member for Halton-Burlington say that? I would ask you to withdraw it if you did say it.

Mr. J. A. Reed: Mr. Speaker, I asked you if—

Mr. Speaker: Order. I will take a look at Hansard myself and make that determination.

Mr. Rae: Mr. Speaker, if the Deputy Premier can name all the constituencies where Suncor has made investments and contracts, he will also know he can name all the constituencies in this House where consumers have been purchasing leaded and unleaded gasoline at rates that a three-volume report would indicate are far higher—I am speaking very slowly so the minister will be able to understand—

Interjections.

Mr. Rae: The fact remains, Mr. Speaker—

Mr. Speaker: Would the honourable member place his question, please.

Mr. Rae: I am going to place my question. The fact remains that consumers are paying at rates that have been described as a ripoff in a three-volume report. I would like to ask the minister whether he is prepared to act on behalf of consumers with respect to Suncor? It is a very simple question.

Hon. Mr. Welch: I appreciate the care that the honourable member has taken to make sure that I understand the question. In fact, I did understand the question and I reminded the Leader of the Opposition what the main question was to which he tried to slip in his supplementary.

I point out to the member that my colleague the Minister of Consumer and Commercial Relations (Mr. Elgie) has been very explicit as to where he sees the responsibility in this matter. I assure the member that once that responsibility is discharged, whatever the implications are with this company, they will have to be taken into account. Suncor will have to obey whatever the law is.

HOSPITAL SERVICES

Ms. Copps: Mr. Speaker, I have a question of the Minister of Health. In response to a question earlier this year on hospital occupancy rate, the minister stated: "On any given day in this province we have approximately 85 per cent capacity in our hospitals. This is about what it should be." A little further on, he said, "The question is what level prevents the situation of having a chronically filled hospital on one's hands, which would be the case if they were running at about 95 to 100 per cent" I am sure he remembers that.

The minister is no doubt aware of the most recent occupancy figures for hospitals in Metropolitan Toronto for the month of September, which show that close to half the major hospitals in Toronto were between 94.9 per cent and 100 per cent occupied during this time and, by his own definition, chronically filled.

How could the minister leave this House with the impression that hospitals were not experiencing problems with overcrowding when the facts do not show it?

Hon. Mr. Grossman: Mr. Speaker, as the honourable member no doubt is aware, September and October are far and away the busiest months of the year in all of our hospitals simply because both patients and medical staff prefer not to have or to do surgery during the summer months. That indicates the pressure that is brought to bear by the elective surgery that is conducted in the province because, as I said, both hospitals and their patients do not want to have operations done during the summer.

The net consequence of that is that in September all the patients that could have had surgery during the summer but chose not to now prefer to have their surgery, and a lot of the doctors and other medical staff who took holidays in July and August are back at work in September trying to accommodate the backlog that has built up over that period of time.

I have to presume that hospitals which have enough money to operate and have enough beds during the September period when they are

trying to clear up what is a self-made backlog in terms of the demand for those beds, are managing their beds in such a way that that the 90 per cent or 95 per cent capacity which is extant for four to five weeks is one which they feel they can manage without threatening patient care.

If any hospital in this province feels it cannot accommodate that backlog in September without affecting patient care, then the hospital's responsibility and obligation should be called into question. That would mean that because it had chosen to allow people to go on holidays and cancel or not schedule surgery during the summer months in order to have it all occur in September, there was some threat to patient care.

I do not believe hospitals are doing that. I believe that they are managing their beds in a responsible way. If the member is suggesting that the postponement or nonscheduling of operations during the summer to accommodate both medical staff and patients is being done in an inappropriate way, she should tell me in what hospitals she thinks that is happening and we will certainly look into it. Until the member is in a position to say that, I think it is rather facetious of her to suggest that because during September and October accommodations are made to look after the summer delays and the summer crankdown of activities, consequently more beds are needed or more hospitals need to be built. That would really be a facetious idea.

Ms. Coppes: It is obvious the minister has not had an opportunity to examine the figures, because if he has he will know.

I refer him to a statement he made at the same time: "If one is going to run a rationalized health care system throughout the province one has to accept that some people will make that conscious decision to wait for a bed in a particular hospital with a particular surgeon rather than go literally 10 or 15 blocks away and get an equally competent physician, who no doubt would have beds available on the same day in another hospital."

Could the minister tell this House how far he thinks the patient would have to walk in the city of Toronto if he needed surgery at Northwestern General Hospital, which figures show was 100 per cent occupied? He could have walked to Humber Memorial Hospital and found an occupancy rate there of 99.1 per cent. He could have further walked to York Finch General Hospital and found a rate of 95.2 per cent. All three hospitals were chronically filled by the minister's standards.

In fact, most hospitals north of Bloor and Danforth were chronically filled—North York General Hospital, 99.1 per cent; Sunnybrook Medical Centre, 96.1 per cent;—

Mr. Speaker: Question, please.

Ms. Coppes:—Scarborough General Hospital, 95.4 per cent, etc.

How far does the minister think a person would have to walk in the city of Toronto to be able to get the surgery that he suggests they can get by walking 10 or 15 blocks to another hospital?

Hon. Mr. Grossman: That was a delightful recitation of the new figures sent to the member by her staff, but may I say she is still reading September figures. Unless the member is prepared to stand up and equally recite the figures for July and August, which she knows very well—

Interjection.

Hon. Mr. Grossman: The member keeps chattering. How many months does she want to take? She wants to slant the figures by taking what are admittedly—her colleague sitting to her right, who used to be the Health critic, knows very well that what I am saying is absolutely accurate. Is that not so? He knows that September, October and November are the busiest months of the year. The member knows she is taking the busiest months. She knows she would be putting the proposition that the Ministry of Health and the government of Ontario should take taxpayers' money to build more beds and more hospitals, so that during three months of the year capacity would not be over 90 per cent, without expecting those hospitals to use their beds in a full and efficient way 12 months of the year.

11 a.m.

It would be important for the people of this province if the health critic for the opposition were to say she believes that patients should be as willing, and doctors should be as willing, to have surgery all during the summer months, all the beds open and all the activity remaining at the same level during the summer months, in order to better use the capacity of beds in the system, because that is really what we are talking about.

We are not talking any nonsense about not enough beds in the system. What we are talking about is the organization of them, the use of them, and whether it is right to have them dramatically underused in July and August to convenience everyone, and have, as the expense

of that, the kinds of figures that the member is reciting for the busiest months of the year. She has to think through her proposition.

If the honourable member is saying to me that because of the September-October figures we should spend millions of dollars to add beds so we will not have that capacity rate in September and October, then she should say that. I think good management would require us instead to say to the hospitals, "Organize your beds in a more sensible way." That is the prudent thing to do, and that is what we are doing.

Ms. Copps: Mr. Speaker, on a point of order: I was giving the figures for the month of September, but if he takes a look, he will find that the occupancy rates before the summer at Humber Memorial hospital were 97.3 per cent.

Mr. Speaker: Order, please. That is not a point of order.

LEAD ASSESSMENTS

Mr. Martel: Mr. Speaker, I have a question of the Minister of Labour. Is the minister aware that in the statement which was prepared for Monday, it says the following, "Results showed the value to be below the time-weighted average for lead, using the grey paint which is the lowest lead level paint"; and is it not a fact that one of those was in excess, even using the lowest lead level, and in this statement it does not say that?

Second, further on in the same statement it says: "Taking these facts into account, on October 28 the ministry conducted further air sampling to determine work exposure to lead. The results are expected shortly." Is the minister not aware that the analysis was done by November 4 and the results were prepared in the Hamilton offices of the Ministry of Labour by November 18? Further, is the minister not aware that the company results taken on the same day were ready on November 19, and this statement was prepared on November 26, eight days after the results were known and seen by the health and safety committee?

Can the minister justify not having in this statement eight days after the results were known, the results of those October 28 tests which showed that the workers were exposed to lead levels 20 times higher than the threshold limit values we have established in this province?

Hon. Mr. Ramsay: Mr. Speaker, it is my understanding that the workers, if exposed, were not exposed at the level that the honourable member has indicated because of the time-weighted factor. In response to the major

part of his question, there is a procedure that is followed as far as worker exposure to a chemical agent in testing is concerned. If he wishes, I can read that into the record, it is very short; and then I can read into the record also, and it is again very short, how those procedures were followed in respect of the Westinghouse case.

1. An occupational hygienist visits a plant and may request an air quality technician to take samples of a substance.

2. The technician visits the plant, takes a sample, sends it to the ministry lab.

3. The lab analysis is sent to the technician to complete his report, which is reviewed by his superior.

4. Once approved, the air quality technician's report is sent to the hygienist in charge for review, and if necessary for revision.

5. The hygienist prepares a report which is sent to the inspector who requested the advice for delivery to the company.

In the case of Westinghouse, and these remarks are of approximately the same length:

1. The request for sampling for lead in department 951 was made on October 28, as the honourable member indicated. The air quality technician conducted the sampling the same day.

2. Again confirming what the honourable member has said, the results were sent to the laboratory, which issued its report on November 4.

3. The air quality technician completed his preliminary analysis of the lab results on November 12 and reviewed it with his superior on November 15, and the report was complete, again confirming what the member has said, by November 18.

4. This report was sent to the hygienist on November 18. The hygienist in charge was working on the Canadian General Electric case on November 19 and was on field visits November 22 and 23.

On November 24 he drafted his report, which was completed and signed on November 26. A copy of this report was received by Dr. Robinson on November 30.

Mr. Martel: Mr. Speaker, the minister has in fact confirmed what I had suggested.

While preparing this report would it not have been wise, knowing the seriousness of the situation, to pick up the telephone and phone the Hamilton office to find out if the results were prepared, because by the 18th they were known?

Let me go on. In this same statement that is

prepared it says: "It appears that the company has responded to the orders issued under the regulation respecting lead and has gone beyond the requirement for consultation with the committee to try and reach an agreement on the provision of the control program."

Is the minister aware (a) that the union is appealing the lead assessment, which is one of the regulations—it does not agree with it; and more important, (b) that the only thing the union has been asked for to date is to make a presentation with respect to the lead control program, and that it was then summarily dismissed and there was no consultation or discussion with respect to those items under the lead control program that say the methods and procedures used or to be used in the processing, use or handling or storage of lead, and there are other requirements.

Mr. Speaker: Question, please.

Mr. Martel: Finally, in the same statement, is the minister aware that it says Mr. Rajhans did not speak to the New Democratic Party? My researcher phoned him, identified herself, told him she was with NDP research and said she was looking into this lead; and we have a statement which says he never even spoke to us.

Hon. Mr. Ramsay: Referring to the last part of the question, obviously we have two points of view. We have a ministry official who has indicated his thoughts on this matter, and we have a researcher in the honourable member's office who has a different version.

Mr. Renwick: Not two points of view; they are contradictory statements.

Hon. Mr. Ramsay: Contradictory statements. The member is absolutely right, and I appreciate that clarification.

A lot of things have been said recently about the staff of the occupational health and safety division, and I am quite concerned about them, because these are dedicated, good people who are working to the very best of their ability to do a competent, efficient job. I am convinced they are, and it upsets me, it bothers me and I think it undermines the whole occupational health and safety program in this province when doubts are cast by frivolous statements on their abilities and on their dedication to the job they have and the job they are doing so well.

Mr. Foulds: Then you take the responsibility.

Hon. Mr. Ramsay: I was just coming to that.

What I was about to say is that rather than criticize the people in the occupational health and safety division at all levels from the senior

level down to the inspector level or whatever the case has been—because there has been a wide range of criticism by the honourable member of the public servants in the Ministry of Labour over the past few months—instead of criticizing those people, who cannot answer back, I would suggest he continue to criticize me. It is my responsibility, and I will accept that responsibility without qualification.

Let me just respond to the other part of the question.

Mr. McClellan: If you had the slightest bit of integrity you would have resigned months ago.

Interjections.

Mr. Speaker: Order.

Hon. Mr. Ramsay: Mr. Speaker, it is very easy to be a hero in opposition, particularly in opposition on that side. I do not want to inflame a serious situation and I will keep the comments I would like to make to myself.

11:10 a.m.

The point I wanted to make in direct response to the member opposite is I feel the meeting that will be held at 2 o'clock today will be an extremely productive one. We will have Walter Melinyshyn in attendance, a senior member representing the ministry. I believe he is respected even by the member as a good person. There will be Terry Mancini, who is a senior mediator and also well respected by those people across the way.

Those two people are meeting with the unions, management and the occupational health and safety committee. I am absolutely convinced we will be able to resolve this matter in the best interests of the workers.

PROFESSIONAL DEVELOPMENT

Mr. Robinson: Mr. Speaker, my question is for the Minister of Education. I am sure all honourable members were pleased to hear of the changes to the school year which will be upcoming. In the statement she made yesterday, she indicated her intention to reduce the number of professional development days from 12 to nine. Both in the statement itself and in the highlights to follow, while there are specifications there are no indications of specific motivation.

Mr. Speaker: Question please.

Mr. Robinson: My question to the minister is simply this: she is quoted this morning in the Toronto Sun as saying teachers spend professional development days going to the track and skiing

and that is why she is cutting them back. I want her to clarify for this House if that is her motivation in reducing those days?

Hon. Miss Stephenson: Mr. Speaker, I must admit to a slight sense of shock when I read that article in the *Toronto Sun* this morning because I thought I had been at pains to tell the honourable members that we had done a major survey involving a committee and a great deal of public consultation about the whole school year matter. In addition, we had expressed our concern within the ministry about the need for time spent in curriculum development, curriculum implementation and review of educational activities as a matter of real concern among school boards, parents and teachers in terms of the maintenance of competence of teachers.

However, in the scrum outside the door after I had made that perfectly clear, I was asked whether I thought it appropriate that teachers went to the track on PD days. I suggested I did not, but I did not think it happened often. It was suggested strongly that this was the reason for it. That is not the reason for the modification.

What we have done is provide uniformity in the number of professional activity days and some uniformity of the content of the professional activity days for the benefit of students within the system as well as for the benefit of teachers.

PETITIONS

MUNICIPALITY OF METROPOLITAN TORONTO AMENDMENT BILL

Mr. Boudria: Mr. Speaker, I have a petition signed by 327 constituents as follows:

"A l'honorable Lieutenant-gouverneur et à l'Assemblée législative de la province de l'Ontario: Nous, les soussignés, sollicitons l'autorisation d'adresser la pétition suivante au parlement de la province de l'Ontario: Nous demandons aux Honorables membres de chercher à retirer le Projet de loi 127, loi modifiant la Loi sur la municipalité de l'agglomération torontoise."

Mr. Elston: Mr. Speaker, I likewise have a petition to present on behalf of a number of my constituents with regard to the withdrawal of Bill 127, with which sentiment I agree wholeheartedly. There are 144 signatures on this petition.

[Later]

Mr. J. M. Johnson: Mr. Speaker, I beg leave to present some petitions to the Honourable the Lieutenant Governor and the Legislative Assembly of Ontario:

"We, the undersigned, beg leave to petition the Parliament of Ontario as follows: We request that honourable members seek the withdrawal of Bill 127, an Act to amend the Municipality of Metropolitan Toronto Act." As chairman of the government caucus, and on their behalf, I am tabling the petitions addressed to my caucus colleagues.

PARRY SOUND LAND USE PLAN

Mr. J. A. Reed: Mr. Speaker, from the good people of Golden Valley and Loring, Ontario, and on their behalf:

"To the Honourable the Lieutenant Governor and the Legislative Assembly of Ontario, we beg leave to petition the Parliament of Ontario as follows: We request that the honourable members oppose the land use program proposed for the Parry Sound district, as outlined by the Minister of Natural Resources."

INFLATION RESTRAINT BILL

Mr. Newman: Mr. Speaker, I wish to table a petition signed by 20 teachers from the St. Gabriel school in the Windsor area:

"We, the undersigned, the staff members of St. Gabriel school, request the Premier of Ontario, the Honourable William G. Davis, to request and seek the withdrawal of Bill 179, an Act respecting the Restraint of Compensation in the Public Sector of Ontario and the Monitoring of Inflationary Conditions in the Economy of the Province."

Mr. Speaker, I have a second petition, signed by 24 teachers from Immaculate Conception school in the city of Windsor:

"We, the undersigned teachers of Immaculate Conception school, wish to protest the gross injustice of Bill 179. It violates our rights under the United Nations Charter of Human Rights. We believe that a wage and price control would be acceptable if all sectors of the working economy would be considered equally. It has not been proven that singling out the public sector would create one new job for the people of Ontario. After years of struggling to obtain Bill 100, we do not want to lose it. We petition you to rescind Bill 179."

REPORT

STANDING COMMITTEE ON REGULATIONS AND OTHER STATUTORY INSTRUMENTS

Mr. Barlow from the standing committee on regulations and other statutory instruments pre-

sented the following report and moved its adoption:

Your committee recommends that the fees, less the actual costs of printing, be remitted on Bill Pr47, An Act respecting the Ukrainian Cultural Centre.

Motion agreed to.

MOTION

STANDING COMMITTEE ON REGULATIONS AND OTHER STATUTORY INSTRUMENTS

Hon. Mr. Wells moved that the standing committee on regulations and other statutory instruments be authorized to sit on the afternoon of Monday, December 13.

Motion agreed to.

INTRODUCTION OF BILLS

LAW SOCIETY AMENDMENT ACT

Hon. Mr. McMurtry moved, seconded by Hon. Mr. Wells, first reading of Bill 199, An Act to Amend the Law Society Act.

Motion agreed to.

BARGNESI MINES LIMITED ACT

Mr. Williams moved, seconded by Mr. Lane, first reading of Bill Pr34, an Act to revive Bargnesi Mines Limited.

Motion agreed to.

11:20 a.m.

MOTION TO SET ASIDE ORDINARY BUSINESS

Mr. Rae moved, seconded by Mr. Wildman, pursuant to standing order 34(a), that the ordinary business of the House be set aside to debate a matter of urgent public importance, namely the growing and intolerably high level of unemployment in Ontario, which has increased every month in 1982, where 728,000 persons are without work and without the prospect of work; the growing personal, social and economic costs associated with joblessness; and the failure of the government to make job creation its foremost priority and its failure to prevent the burdens of this social problem from being shifted to individuals and their families.

Mr. Speaker: I would like to advise all honourable members that the notice of motion has been received in its proper form and in time. I will be pleased to hear from the honourable member as to why he thinks the ordinary business of the House should be set aside.

Mr. Rae: Mr. Speaker, the basic reason for wanting once again to draw the attention of the government and of the House to this matter of urgent public importance is quite simply that there are 728,000 people who are really unemployed in this province, that this figure is unacceptable to us and that it represents a crisis in the economic and social life of our communities.

Unemployment is a problem that is far more severe and far more real a problem than the government has appreciated. The fact that the Premier (Mr. Davis) has scarcely been here this week and the fact that the Treasurer (Mr. F. S. Miller) was not here yesterday because he was in Ottawa and is not here again today are a very real indication of the contempt with which this government holds the opposition and the very real sense of complacency that has obviously taken hold on that side of the House.

Mr. Shymko: Broadbent would blame somebody else, not the Premier of this province.

Mr. Speaker: Order.

Mr. Foulds: The only thing that is working on that side of the House is your tongue, Yuri.

Mr. Rae: The member for High Park-Swansea (Mr. Shymko) has indicated, as all members on that side are indicating, that the only government that is responsible for unemployment in Canada is the federal government; that is the position the member is taking. I want to make it very clear that we hold the Liberal Party responsible, we hold the federal government responsible; but we also hold the government of Ontario and the Conservative Party responsible.

Mr. Shymko: That is not what you said in the House of Commons.

Mr. Speaker: Order.

Mr. Rae: This is a government that has resources, this is a government that has means and this is a government that has the responsibility.

Mr. Shymko: You never said that in Parliament.

Mr. Speaker: Order. I will have to caution the member for High Park-Swansea that this is just unacceptable. The member for York South has the floor, and I recognize him.

Mr. Rae: I can understand, Mr. Speaker, why the member for High Park-Swansea is so uneasy and why other Conservative Party members are so uneasy. They have, as a government, completely underestimated and completely misread the seriousness of this situation.

The Treasurer's budget of May 1982 was a mockery of economic analysis and of understanding of what is happening in this province.

When he announced his job creation program last week, even then he was saying that we were on the verge of a turnaround. I would like the members opposite to go back to their constituencies, as they will on the weekend, and ask the people in their areas whether they really think the province is on the verge of a great boom or on the verge of a great turnaround.

We on this side of the House are not at all pessimistic about the prospects of this province and we are not pessimistic about the people of this province. We are extremely pessimistic about the performance of this government and the performance of the Tory party with respect to the economy.

There is every indication this winter is going to be far more severe, far more difficult and cause far more social hardship than the government has yet to recognize. The Treasurer has even refused to come forward with figures as to what he thinks the unemployment rate is going to be over the winter. He has even refused to tell us how serious he thinks the problem is going to be.

He indicated in the statement he made last week that there were some signs that inventories are coming down. In fact, the evidence this week is that inventories are high and shipments have fallen again.

But to talk about the economy in those terms is partly to miss the point. All of us are facing the reality that there are far too many people in our province the government is simply not helping. There are far too many people who come to us day after day saying they do not have jobs. They are young people, old people, breadwinners and single-support parents. The government is not acting. Two thousand jobs a month for the next 18 months does not respond to a situation where in one month alone we have lost 32,000 jobs.

This crisis is bigger than the government ever anticipated. It is far greater than any analyst suggested might occur. If Rip Van Winkle were to come back after sleeping for 10 years, 20 years or 30 years and be told there was a 12.5 per cent unemployment rate in Ontario he would be shocked. That shock should be reflected in government action. That is why we need an emergency debate this afternoon.

Mr. T. P. Reid: Mr. Speaker, we in the official opposition will support the motion put forward by the leader of the New Democratic Party. We have had similar debates in the last little while and our concern was expressed by my leader during question period in his leadoff question

about the size of the unemployment rolls in the province.

I have been in this chamber for 15 years and have been almost daily assaulted, except for the past few months, with the people opposite telling us what a great job they did in job creation and what a great job they have done in managing the economy.

It was all what the Ontario government had done, and all what the late Premier Robarts had done, and all what this Premier has done; yet at the first sign of trouble and danger we hear it is all the federal government's fault. I do not say that some part of this is not, but I do say that this government has a responsibility here in Ontario.

The federal budget for this year is close to \$80 billion. At the federal level, as a percentage of the gross national product, they are spending 22.9 per cent of the gross national product. That is being spent by the federal government for programs across the country, from Newfoundland to British Columbia and northern Canada. It is spending something like 23 per cent of the gross national product across the entire country.

What we have in Ontario is a budget of some \$23 billion and a total estimated gross provincial product of \$128 billion. This means that we as a province are spending almost 20 per cent of the gross provincial product. If one looks at those figures and compares them, it is obvious the province not only has a role and a responsibility but also is spending a good share of the resources of Ontario and should be doing more for job creation.

11:30 a.m.

I was horrified, because I have a great regard for the Deputy Premier (Mr. Welch), to hear him say in his answer to my leader this morning that it is not the job of government to create jobs. Hansard will prove that this is exactly what he said. I thought that in their own modest, weak, timid way the Minister of Labour (Mr. Ramsay), the Treasurer and the Premier had in fact been talking about direct job creation by the province. Yet we have the purported second in command saying it is not the job of the province to create jobs directly. What are we talking about when we talk about provincial and municipal works programs? What name should we have given to those programs that we have had in winters past when the province has had winter works programs, if they were not straight job creation by the government?

I can go through the record of unemployment as it has risen over the past year, but I think we are all aware of the situation. We are also aware

that it is going to get worse. Surely the Premier, the Treasurer, the Minister of Energy (Mr. Welch) and everybody else over there have realized since June, which is usually the high-employment month in this province, that when unemployment rose in that month and has been rising every month since and before then, that this was not a problem that was going to go away and that the projections in the budget of May are not going to be realized; in fact, they are going to get much worse.

The Treasurer has stood in his place and told us he will not tell us what his projections are for unemployment in the next 18 months but that it is going to get worse. Yet we have seen nothing very concrete on the way except some talk, which the government is great at, of 36,000 jobs for the 752,000 people unemployed in Ontario. It is not sufficient.

Hon. Mr. Walker: Mr. Speaker, we certainly know we have a problem. Nobody relishes any of the figures that have come in during the last while. I think all of us can express real concern in that respect. We recognize that this is a major problem; there is no question about that. We heard the Minister of Labour speak about that this morning. We have heard the Minister of Energy, the Deputy Premier, speak about the concern that was expressed and the problems that are created.

There is no question that we have a major difficulty, not only in this province but also in an international setting. We have a major difficulty in Canada, in North America and with all of the trading partners we generally work with. This is a worldwide concern.

One of the problems one has to look at at a time like this is not always this question of how bad you are as a province, how bad your people are, how bad your governors are or how bad the whole situation is, because often that develops into a self-fulfilling prophecy when everybody is convinced how bad we are through the every-other-day requests for emergency debates that are proposed by the New Democratic Party.

People have to ask not how bad we are but is it not interesting that in the whole economic climate, which has been rather devastated in the last while, Ontario has reasonably stood out as an example of how to do it a little bit better?

Let me give an example. We are an industrial province. We have half the industry—

Mr. Swart: You are out of touch with reality.

Hon. Mr. Walker: Just a moment. Please, just bear with me.

Interjections.

Mr. T. P. Reid: We would like to hear Nine Job Walker.

Mr. Speaker: Order.

Hon. Mr. Walker: Half the industry of Canada is located here and, in spite of the fact that we are an industrial province, our unemployment rate is such that we stand in better circumstances than most of the other provinces.

Mr. Foulds: Tell that to the unemployed.

Mr. Speaker: Order.

Hon. Mr. Walker: The maritime provinces, British Columbia, Quebec, any of the other industrial provinces, indeed the industrial states that surround us, at times wish they had the problems we have. If they had as low an unemployment rate as we had—ours is high, of course, but in contrast to them, it is low—they would consider themselves very fortunate.

The question is not always how bad we are but, rather, how in such a bad situation we have turned out to be as reasonably good as we are in the process. We have undoubted difficulties caused by the world economic decline. I hear the figure of 728,000, which is used by the New Democratic Party. The figures I see are the Statscan figures, which are some 200,000 less, but the NDP members choose to use their figures.

It does not matter what the figures are—I know the leader of the third party has some difficulties with a variety of figures—the figures are bad no matter which way we look at them. The short of it is, though, that we as a province are continuing at least to hold our own. When compared to the other industrial states and most, if not three quarters, of the other provinces of Canada, we are holding our position infinitely better than they are. Keep in mind that we have had debates in the past and not one decent proposal has come forward from the opposition. If one good idea had come forward from them that we could have used, we would have applied it. Lord knows, we have made every attempt.

Let us look at some of the things that have been achieved. Most members have supported them in the House. I am thinking of the Ontario Development Corp., which since this recession has begun has spent \$105 million to create not only 17,000 jobs over five years but also 7,000 jobs in one year—direct, lasting jobs that have a multiplier effect. We have the Board of Indus-

trial Leadership and Development project that is a long-range investment strategy; it will involve a \$1.5-billion investment, with \$750 million from the province, to allow the development of the technology centres, for instance, and to allow industry to become extremely efficient.

We also have short-term employment stimulation attempts. We recognize how bad the problem is and some short-term efforts are being made. In addition, tens of thousands of jobs are being created in what the Minister of Labour was signing yesterday and in what the May budget brought forward.

The most important thing that we as a government can do is maintain a climate for creating jobs. Private enterprise is the place that will create the long-term, lasting jobs in this province and in this nation.

In the past 12 months alone, private enterprise has either expanded or developed new plants to the tune of 123 in this province for a \$700-million investment, and that is what creates jobs. That is why, when we have these filibustering approaches, these attempts to have emergency debates every other day, I ask what these people are trying to do other than delay the process of government, and I accuse them of that.

Mr. Speaker: I have listened carefully and with great interest to this debate and, as everybody has recognized, including myself, it is an extremely grave problem. However, having said that, I have no alternative but to find the motion out of order because of the conflict with standing order 34(c)(iv), which says, "the motion must not revive discussion on a matter that has been discussed in the same session under this standing order." It has indeed been debated and discussed at great length before us.

Mr. T. P. Reid: By unanimous consent we can waive that.

Mr. Speaker: Do you want to ask for it?

Mr. T. P. Reid: Yes. Could we have unanimous consent to waive that rule?

Mr. Speaker: It would be more appropriate if the mover were to ask for that.

Mr. McClellan: On a point of order, Mr. Speaker, as to your ruling: Can you tell me when earlier in the session we have had a debate on today's unemployment figures?

Mr. Speaker: I am glad you happened to ask that. On March 11, 1982, Mr. Peterson moved, seconded by Mr. Nixon, pursuant to standing order 34, that the ordinary business of the

House be set aside so that the House may debate a matter of urgent public importance, that being the serious and unprecedented level of unemployment in this province and the lack of government programs to come to grips with this matter.

11:40 a.m.

Mr. McClellan: I realize what you said, Mr. Speaker, but my watch shows the calendar date is December 3, and the motion refers to the unemployment figures as of today.

Mr. Speaker: Order.

Mr. Renwick: Mr. Speaker, may I speak on the point of order? You have cited that the matter has been discussed on a previous occasion in this session. I want to reiterate that the increase in the number of unemployed from the date you spoke of when we had that original debate until now is something in the order of 160,000 to 175,000 citizens of the province. That in itself is a new and significant factor and is not something that has been discussed on a previous occasion.

Mr. Speaker: Order. As I have already indicated, I am not trying to diminish the importance of this in any way, shape or form, but I have to be guided by the standing orders.

Mr. Rae: Mr. Speaker, on a point of order: Can I ask for an explanation? Is the implication of your ruling that it is not possible in one session to have more than one emergency debate with respect to unemployment? Is that the implication of your ruling?

Mr. Speaker: Let me point out to the honourable member standing order 34(c)(ii), which says that "not more than one such motion may be made at any one sitting." That is fairly explicit. If we go on to section (iv), as I have already explained, it must not revive discussion on a matter that has already been debated. I have no discretion in this matter.

Mr. Foulds: On a point of order, Mr. Speaker: With the greatest of respect, I point out to you that the rule you cite, 34, has to do with procedural motions. The motion we have before us is a substantive motion. May I point out to you with the greatest of respect—

Mr. Speaker: Order. The honourable member is out of order. The member will resume his seat, please. I am amazed he would arise on such a point, and I would ask him to read standing order 34(a).

Mr. R. F. Johnston: Mr. Speaker, on a point of order on a question—

Mr. Speaker: There is nothing out of order. I have to be guided by the standing orders.

Mr. R. F. Johnston: May I have some clarification?

Mr. Speaker: No, I cannot—

Mr. R. F. Johnston: I ask for the record to be clarified then.

Mr. Speaker: All right.

Mr. R. F. Johnston: Thank you. The reason I would like the record to be clarified is that we are now deciding that because the matter of unemployment was discussed in March, we may not discuss it today.

Hon. Mr. Wells: Change the rules then.

Mr. Rotenberg: That is what the rules say.

Mr. Speaker: Order.

Mr. Foulds: Who is running this House, the government House leader?

Hon. Mr. Gregory: Where is O'Flynn? He is running the House.

Mr. Foulds: Get your bully suits on, fellows. Interjections.

Mr. Speaker: Order. The member for Scarborough West was trying to make a point of order. I do not think he had made it.

Mr. R. F. Johnston: Mr. Speaker, I hope I did not misconstrue what you were saying but what confuses me, and why I would like this to be clarified, is that we have had at least two debates on the situation in Sudbury, giving different statistics for different changes that have taken place during that period. Here we are with a major change and for some reason or other we are not able to discuss it.

Mr. Speaker: Order. That is fine and that is legitimate. We have had many debates, as you have already pointed out and as other members have pointed out, but they have been on specific matters on specific areas. In one case at least it was done by unanimous consent, because in that case I had ruled the motion was out of order as well.

Mr. Nixon: Mr. Speaker, on a point of order, if I may.

Mr. Speaker: The member for Brant-Oxford-Norfolk.

Mr. Nixon: Do you want me to speak?

Mr. Speaker: Not really, but I am willing to listen.

Mr. Nixon: Mr. Speaker, I am not supposed to stand up while you are standing.

You mentioned the time when unanimous

consent was granted to permit a debate. I was associated with the motion and appreciated the unanimous consent at that time. But I would like to bring to your attention that your ruling as we understand it would really prohibit a second debate on unemployment as the statistics change during a session of the Legislature.

The government House leader is indicating that we should change the rules but I suggest to you, as the arbiter of our deliberations, that it is up to you to interpret the rules in what I would consider to be a way that would make sense. In a session of the Legislature that may continue for many months, there might be more than one, two, or three occasions when as the statistics change they would require and really cause the need for a special debate in the House.

I hope you will reconsider that, and in the event that you do not we will have no recourse but to challenge your ruling.

Mr. Speaker: That is fine, but I just point out to all the honourable members that I have to be guided by the standing orders, as all the honourable members do.

To answer a question of specificity, if I may, to the member for Port Arthur (Mr. Foulds), let there not be any doubt in anyone's mind that I am in charge of this House. Okay?

Having said that, the standing orders—the rules—are quite clear and quite specific. They are not open to any discretion and I have to be guided by what it says here. I might point out the obvious, which is that the standing orders have been produced by the honourable members.

Mr. Rae: Mr. Speaker, I simply ask, in the light of your decision, whether the government is prepared to give us unanimous consent with respect to this debate.

Hon. Mr. Wells: No, Mr. Speaker. The answer is no.

Mr. Speaker: It is not just the government; it is members of the assembly, and I ask, do we have unanimous consent?

Some hon. members: No.

Mr. Speaker: Obviously we do not.

Mr. McClellan: Reluctantly, Mr. Speaker, but in view of the fact that our motion dealt with the statistics as of December 3, which is different from any previous debate, we will have to challenge your ruling.

12:10 p.m.

The House divided on the Speaker's ruling, which was sustained on the following vote:

Ayes

Andrewes, Ashe, Baetz, Barlow, Bennett, Bernier, Brandt, Cousens, Cureatz, Dean, Drea, Elgie, Eves, Fish, Gillies, Gregory, Grossman, Hennessy, Hodgson, Johnson, J. M., Jones, Kells, Kennedy, Kolyn, Lane, Leluk, MacQuarrie, McCaffrey, McCague, McLean, McMurtry, McNeil, Mitchell;

Norton, Piché, Pollock, Ramsay, Robinson, Rotenberg, Scrivener, Sheppard, Shymko, Snow, Stephenson, B. M., Sterling, Taylor, G. W., Timbrell, Treleaven, Villeneuve, Walker, Watson, Welch, Wells, Williams, Wiseman.

Nays

Boudria, Bradley, Breithaupt, Charlton, Conway, Copps, Eakins, Edighoffer, Elston, Foulds, Grande, Johnston, R. F., Lupusella, McClellan, McGuigan, Miller, G. I., Nixon, Peterson, Philip, Rae, Reed, J. A., Reid, T. P., Renwick, Riddell, Ruprecht, Ruston, Swart, Sweeney, Wildman, Worton.

Ayes 55; nays 30.

VISITOR

Hon. Mr. Welch: Mr. Speaker, before the orders of the day, may I take a moment to introduce to members of the House a great veteran and experienced parliamentarian of the 1950s in this House, who represented the constituency of Niagara Falls with such distinction. He sits in the gallery below your gallery, Mr. Speaker: Mr. Arthur Jolley, who looks quite well in his retirement, and we welcome him, I am sure, today.

Mr. Wildman: Mr. Speaker, I rise on a point of order regarding the rule 81(d). The written question was tabled on November 17 in my name. It is number 674 on the order paper—

Mr. Speaker: That is not a point of order.

Interjection.

Mr. Speaker: It is not my responsibility, either, so resume your seat and get on with the work.

Mr. Foulds: On a new point of order, Mr. Speaker.

Mr. Speaker: There is nothing out of order. The member for Port Arthur will resume his seat.

ORDERS OF THE DAY

House in committee of supply.

**ESTIMATES, MINISTRY OF
AGRICULTURE AND FOOD**
(continued)

Mr. Swart: Mr. Chairman, I started my lead-off comments last Monday evening. I spent some time on them and, of course, I had expected that I would finish before one o'clock today. That may or may not now be the case.

Members of this committee will recall that when I started my leadoff speech last Monday I said I would be dealing with four main problems now facing our agricultural producers. Those are high interest rates, low farm prices, import replacement and food land preservation, all very serious problems facing the basic producers of this province.

Today I would have to say that the situation is probably somewhat worse even than it was when we started these estimates one week ago. The state of the economy, as we know today, has deteriorated, and there is no question that this is reflected in the farm community. In fact, when I say that, perhaps the fact that it has been so serious in the farm community is one reason we are now in such a serious unemployment situation. Certainly the employment that was dependent on the farm community, such as in the farm implement business, has been the most seriously hurt of all. In fact, it has been devastated.

You will recall, Mr. Chairman, that on Monday last I discussed the first issue rather fully, that of the problem created by the high interest rates and the tremendous debt payments the farmers have to meet. I am not going to dwell on them at any length again except perhaps to remind this House of some statistics I gave which, within the context of the rest of my speech, are important to repeat.

12:20 p.m.

The interest on the indebtedness being paid by farmers in the period between 1972 and 1976 was \$131 million annually, only one fifth of the net farm income of \$650 million. In the following year, 1977, it was only \$201 million out of the net farm income of \$669 million. By 1981, the farm debt payments had reached \$633 million out of a net farm income of \$835 million. My words there are unfortunate; it is not out of that, but in relation to a net farm income of \$835 million, or 75 per cent.

This year, largely because of the reduction in farm income, it is really going to exceed total net farm income. We all recognize that is an exceedingly serious situation.

I also mentioned that to deal with this situation the Minister of Agriculture and Food (Mr. Timbrell), in theory at least, had set up a

\$60-million program of which he has only paid out \$13.4 million. Those figures of perhaps \$700 million this year in interest indebtedness that farmers are going to have to pay, up from the \$130 million seven years ago, and the minister has only given them \$13.4 million out of the \$700 million, indicate the paucity of support being given to the farmers in this field.

In addition, the minister, as was pointed out by the member for Huron-Middlesex (Mr. Riddell), has not kept his promise that not only was in the budget but was stated during the last election campaign and on several other occasions by several cabinet ministers, that they would proceed with a young farmers—

Hon. Mr. Timbrell: Not the last election.

Mr. Swart: I am not sure whether I have it with me at the present time, but I had a copy of the speech from the throne.

Hon. Mr. Timbrell: But not the last election. You said the last election.

Mr. Swart: It was mentioned during the last election. I can get that for the minister, too.

Mr. Riddell: On April 24, in Leamington the minister also made the same statement in the headline, "Province Introduces Aid to Beginning Farmers—Dennis Timbrell."

Mr. Swart: That has not materialized and, as several editorials point out in the farm papers and the daily papers in this province, that aid seems to have been postponed further and will probably be postponed indefinitely. The farmers have simply been left to carry on pretty well on their own.

That leads me into the next area I want to cover, that is the low or inadequate prices of farm produce.

I have to agree with the minister that this is an area over which the Ontario Ministry of Agriculture and Food, and for that matter the provincial government, has limited control, at least on the price of certain products varying from commodity to commodity.

My party is supportive, at least of what is on paper and what has been said, of the policy of the minister to have a tripartite agreement between the federal government, the province and the producers for an adequate income stabilization program.

It makes sense that an income stabilization program should be uniform across the whole nation. I would point out to the minister that I wish he would follow that same policy with regard to the long-term farm credit. All of the other provinces in this nation have long-term

farm credit. The minister refuses to institute it in this province so our farmers are at a disadvantage. At least on the farm income stabilization, in a very contradictory but I would say in a proper way, he wants uniform policy. It is contradictory to his other policy which should be changed. But he wants a tripartite agreement and a uniform policy with regard to farm income stabilization and, certainly, it is necessary.

I have here what I think is the latest bulletin, number 615, on the average prices received by Ontario farmers for farm products. I find that oats which were \$1.96 a bushel on September 15, 1981, are down to \$1.68, a 14 per cent reduction. Barley was at \$2.70 a bushel and is down to \$2.06 a bushel, a 24 per cent reduction. Rye was at \$4.05 a bushel on September 15, 1981; in September of this year it was down to \$2.15, the price that the farmer receives almost cut in half.

Soybeans, a major crop in this province, sold at \$265 a metric ton in September 1981; in September of this year the price was down to \$222, a reduction of 16 per cent. Shelled corn, which was at \$3.46 a year ago last September, has the price of \$2.62 in September of this year, down by 24 per cent. Mixed grains were down by 17 per cent; fresh market potatoes were down by 35 per cent; the price of dairy cows was down by 12.9 per cent; dairy heifers were down by 10 per cent and so on.

There are some farm commodities that were approximately the same price, but with the majority of them the prices were down. The majority of them were down substantially and, at a time when farmers' costs are increasing and when they have the tremendous indebtedness we have talked about, it is easy to see why they are in such real difficulties.

In the briefing statement provided by the ministry, as near as I can see—and the minister can correct me if I am wrong—really the only income stabilization provided by the ministry is the \$5 million for the sow-weaner stabilization program

If there are other areas where stabilization funds have been paid out, I would like to know, but that appears to be all they have done in this regard. It would seem to me that even while the minister is waiting for that tripartite agreement, which is desirable, he should at least show his good faith to the farmers by doing a bit more on the farm income stabilization.

Incidentally, before I move on, I should point out that even under the Ontario farm adjustment assistance program, the interest subsidy

stated here is \$39.5 million; but at the present time it is only \$13.5 million. I suppose, by the time the fiscal year is over, the figure may get up to there, but certainly that kind of money has not been spent at this time.

Hon. Mr. Timbrell: Mr. Chairman, on a point of order: With respect, I think the honourable member is confusing the figures for option B and option C.

Under option C of the program the ministry has assumed approved guarantees on new lines of credit, totalling about \$39 million, if my memory serves me correctly. Under option B, the ministry has approved interest rate rebates on outstanding operating credit exceeding \$570 million, for which to date we have sent monthly rebate cheques totalling about \$15.5 million, but the total credit on which we have agreed to pay interest rate rebates is approaching \$600 million.

The \$39-million figure, with respect, is the extent of the new lines of credit which we have guaranteed and obviously for some or all of which we are potentially liable.

12:30 p.m.

Mr. Swart: Mr. Chairman, I am aware of the three parts of the plan. All I am saying is that at this point you have not spent \$39.5 million or anywhere near that figure. It may be that by the time spring comes, because of the economic conditions, it may get up to that figure, but I am just pointing out that at present that figure is an estimate and nothing more. I suggest it is probably a high estimate at that.

Worth putting on the record here is the small amount of the Ontario budget that goes to agriculture, compared to that of other agricultural provinces in this nation. In Saskatchewan, 3.25 per cent of the budget goes to agriculture in one way or another; in Alberta, 1.98 per cent; in Prince Edward Island, 4.5 per cent; in Manitoba, 2.1 per cent; in Quebec, two per cent; in Nova Scotia, 1.3 per cent. Ontario has only 1.2 per cent of its budget designated for agriculture. I suggest that is a pretty clear indication of the lack of priority given to our agricultural producers in this province compared to other provinces in Canada.

The minister has made much—and I am not sure whether he has any new information to give us at this time—of the matter of the tripartite agreement with regard to farm income stabilization. If I am not misquoting him, I believe he said in the House a week or two ago that he hoped to make some announcement before

long with regard to this. As I have stated, we believe it is a desirable goal to have a tripartite agreement.

I am a little bit sceptical of the long-term outcome. I am wondering if this is not a politically motivated statement which he has some reason to believe may not come to fruition. Also, I would like the minister, when he gets up to reply, to state how far he is willing to go in a meaningful income stabilization program with the figures I have mentioned here, with what you are paying at the present time.

They would have no meaning in a tripartite agreement. I am sure you are aware of that. They would not do anything to resolve the problems of the low prices to the farmers, or their dramatically reducing net income. When I look at the figures and the production in this province, if you are only going to keep up the level of prices of 1981, many of which were substantially below those of 1980, we are talking about massive sums of money.

For instance, in soybeans you would have to provide a subsidy, a farm income stabilization payment, in the neighbourhood of \$25 million. In corn, it would be \$75 million. In cattle, it would be \$125 million. Even in eggs, it would be \$4 million. The question I ask is, are you prepared to pay your one-third share of the cost of a meaningful income stabilization program? Because if we get a tripartite program and it is not going to have any more coverage than the program at the present time, we are not even going to adequately meet the deficits that the farmers are having in their prices compared to previous years, and it is not going to solve any problems in our society.

I would say to the minister, while he is talking about a tripartite program he should also be talking about what he envisages in the way of income stabilization for the farmers and in the way of support prices for the farmers. I want to hear him talk about that too. It seems to me there is not much use in talking about one unless he is prepared to talk about the other and indicate he is willing to put in far more money than we have in all the forms of income stabilization today and in help to the farmers.

There is another area in the price paid to farmers where this government has been negligent in not protecting the farmer. That is in the markup by the processor before it gets to the consumer. The share of the consumer price the farmer gets in many quantities is unreasonably low.

I recall, early this fall, the member for Huron-

Middlesex (Mr. Riddell) stated I had been fighting, because of my fight for consumer prices, to keep the farmers' income down. I think he realizes now that has never been the case, nor can anybody find any quotes in that respect. In fact, it is the reverse. I want to see the lowest possible markup between the farmer and the consumer so they can both benefit.

I think I am right in saying the member also said, "I don't know how the member for Welland-Thorold can be both Consumer and Commercial Affairs critic and Agriculture and Food critic, because there is a conflict there." I want to say that we in this party do not need two mouths to talk out of. We have one policy and the same person can articulate that policy—

Mr. Philip: He does it so well, too.

Mr. Swart: I was just going to say, perhaps I cannot do it as well as others, but we do have one policy. We do not have to have somebody up here trying to get the public to believe we are just fighting for consumer prices regardless of what happens to the producer, and then somebody else getting up and fighting for higher prices for the producer regardless of what happens to the consumer. That is not our attitude in this party. We speak with one voice and one person can represent two issues, which the party to the right might find very difficult to do, when it is a case of one person saying one thing about one area that affects the other and another person saying something different.

I am very pleased we now have the president of the Ontario Federation of Agriculture getting in on the theme I have espoused here for a number of years, that we should be taking a look at the markup on the farmers' produce and we should be doing something about it. I know the member for Huron-Middlesex read part of these comments into the record when he was speaking in his leadoff. I want to put some more on the record.

Mr. Ralph Barrie, president of the OFA, speaking a week ago last Tuesday, said: "We have to devise new techniques of educating consumers and politicians about why we're fighting for these causes"—for greater income for the farmer. "For instance, we must impress upon them"—the consumers and the politicians—"that we deserve a higher share of the consumer's food dollar. We've got to keep telling them about how little of that dollar we actually pocket. Take an item like a 48-ounce can of apple juice. You pay about \$1.29 for it in the store. Can anyone guess what the farmer's share of that was? It was a whopping 17 cents. In 1981,

the last year we could get figures for, the can cost more—it cost 26 cents."

Then he said: "Let's look at a basic food item that doesn't require fancy packaging and three-coloured labels—dried white beans. A pound of them cost \$1.15 retail. The farmer's share was 37 cents. In 1979, you paid 61 cents for a pound a beans at the store and the farmer got 26 cents."

12:40 p.m.

The gap is widening, there is no question. There are reasons for that, let me admit, that are far beyond any ripoff. But in some instances there is an excessive markup by the processor and/or the distributor. It is an area which this government, if it cared about the farmers and consumers, would be doing more about and in which it would be doing some investigation. That is part of the reason we say there should be a fair prices commission.

Mr. Barrie expounds further on this theme and gives further examples but I am not going to take the time to read them into the record here today. I think that is sufficient indication of the situation that exists.

I say to you, Mr. Minister, and I hope you will comment on this when you get up, one area you should have immense concern about is the reducing share of the retail milk dollar that the farmer is getting. You should have a real concern about that because the reduction is dramatic and the same kind of reduction is not taking place in the other provinces.

I asked Mr. Peter Gould of the Ontario Milk Marketing Board if he would update a letter he sent to me last year, which shows the share the farmer has been getting of the retail price of milk over a number of years. He has submitted it to me under a letter dated October 25, 1982. I want to quote some of those figures to you. I will not quote them all but he has provided quite a number of tables.

To me, the significant ones are these, Mr. Minister—I do not know if you have a copy of this letter or if you have seen them or not—because they are pretty serious.

This is from table 2, producer revenue and the proportion of retail price for Ontario based on three-quart retail price Toronto mid-July. In 1976—this is for whole milk—the farmer got 71.1 per cent of the retail price; in 1977, it had dropped to 68 per cent; in 1978, 68.2 per cent; in 1979, 66 per cent; in 1980, 64 per cent; in 1981, 62 per cent; in 1982, 60.3 per cent. It went from 71.1 per cent in 1976 down to 60.3 per cent in 1982.

For two per cent milk, the farmer was getting

77.1 per cent in 1976; it is now down to 65.7 per cent. For skim milk, he was getting 67.5 per cent and that is now down to 65.7 per cent.

If we take another size of container, one litre, for obvious reasons the farmer gets less and always has got less of the selling price. We find that his share of the retail price for whole milk has dropped from 56.3 per cent in 1976 to 50 per cent in 1982. Two per cent has dropped from 57.4 per cent to 50.6 per cent. Skim milk has gone from 58.7 per cent to 51.2 per cent.

When we look at the consumer price of milk which, except for Quebec, traditionally has been somewhat lower in Ontario than elsewhere, obviously because of our large volumes here, we find that the retail price is now equal to or surpasses that of most other provinces in Canada.

It is a pretty serious situation when the farmer's share has dropped by about 25 per cent from what he was getting before. Formerly, he was getting 70 per cent; now he is down to 60 per cent or less, on average.

I think we know that in the latest increase the farmer got 2.69 per cent. He had to fight to get that. He had to prove that he had those additional costs. That ended up as eight cents per litre. In the larger containers, it ended up as seven cents per litre. The farmer gets only 2.69 per cent. It bears out that there has been a substantial reduction in what the farmer is getting as a share of the selling price.

The minister must recall that I raised this with the Minister of Consumer and Commercial Relations (Mr. Elgie) on two occasions this fall and asked him to look into it. What does he say? He mouths the policy of your government: "We keep hands off. We are not going to get into the business of investigating that." Even when you have prima facie evidence like this, even when the farmer is being hurt and the consumer is being hurt, you simply will not investigate.

I have demonstrated in this House before, and I shall be doing so again, the excessive markups which result in excessive profits for the cereal producers in this province. They are not hurting from this economic downturn. In fact, they are benefiting from it, because they are buying their oats and their wheat and their cereals at a much lower price than they were before and they are not reducing the retail price of cereals.

When you get up, Mr. Minister, I hope you can point out to me some reduction in the retail price and name certain prepared cereals where the price has been reduced because the farmer's

price has gone down by 10, 15 or 20 per cent. I challenge you to do that. We have the Ambler Pricing Services in the legislative library. They can give you the figures, back almost week by week for three or four years. I suggest you look at them and see if there are any of these prepared cereals where you can show me that the price has dropped, or for that matter even held stable, because the farmer is getting less for his produce. I think you may have some difficulty in doing that.

There is one other point I want to make. In this field, there has never been a government in this nation, nor is there now, that is really so indifferent to trying to ensure that competition remains to protect the consumer, as is this government of this province.

It does not matter whether you can show that there are only two companies producing it; it does not matter that the three major sugar companies in Canada which service this market in Canada were convicted and fined \$250,000 because of combining. Granted, the Court of Appeal overthrew that simply because the combines legislation is so weak. Then we have the former Minister of Consumer and Commercial Relations of your government getting up and saying that he is against toughening up the combines legislation. As a result, both the consumer and the producer in this province are receiving fewer benefits than they otherwise would.

I now want to move to the issue of import replacement. I have to say to the minister that I was really a bit puzzled by his introductory comments, which apparently I do not have with me. You talked about import replacements and said what a tremendous job you had done in selling in the foreign market. I have trouble relating how that is import replacement. As we know, sales of Ontario farm products have gone up rather substantially.

I know the minister would like us to believe it is because of the delegations they have sent across the world, and that may have some bearing on it. I suggest the real reason they have gone up is because of our low dollar value. When that dollar goes back up again, as I suppose most of us hope it will some day, those markets we have overseas that the minister is relying on may well disappear. I suggest, as do the federations of agriculture, the Christian Farmers Association and the Ontario Federation of Agriculture, that there should be more

emphasis on import replacement than the minister has been giving.

12:50 p.m.

I know that in his introductory comments he has talked, and I give him credit for this if he carries through with it, about producing more of our tomato paste, growing more of our own strawberries and having refrigeration or cold storage systems so we will have our own production for a longer period of time of the year. These are all important and necessary things, but I point out to the minister that his government has been in power now for 40 years and to some extent his government has brought about the imbalance in exports and imports.

If this had been a sincere attempt on the part of his government during the period it has been in power, over the last 10 or 20 years, we would not be in the serious situation we are in at present. Perhaps as a new minister, a new broom will sweep clean and we may get some action on this.

The minister must realize from his own figures that in 1975 imports into this province were \$1.2 billion and exports were \$600 million. There was a gap of \$600 million. The minister will know, again according to his own figures, that in 1981 the exports had grown to \$1.6 billion, but the imports had grown to \$2.53 billion. There was a gap of \$930 million, up something like 55 per cent.

This government has not kept up with the rest of Canada. The other provinces, or the federal government more appropriately, have really done a better job than this government has, because back in 1976 exports were \$4 billion, imports were \$3.1 billion, and that is total agricultural products, and we had a favourable balance of \$900 million.

That favourable balance in 1981 was \$3.3 billion. It had increased by more than three times. It looks as if the federal government has been doing a better job than this provincial government in selling our exports. There are a variety of reasons for this, but the minister should not stand up and say he is doing such a tremendous job in replacing our imports when there is no proof to show it at the present time.

I would like to go into the area that applies to fruits and vegetables, but I am not going to take the time to do that. Rather, I want to say that the start the minister has made on greater self-sufficiency and on import replacement is valuable but he has to go much further. That is where he should really be putting the emphasis. I suggest if he had spent all that money that was

spent on junkets abroad—they are not entirely junkets—on trips overseas, on other techniques for long-term import replacement, it would have done more for the farmers of this province.

The Christian Farmers Association has pointed that out, as I am sure the minister is aware, and even the Ontario Federation of Agriculture has made it clear—and I have the briefs here—that they want much more done on the matter of import replacement.

I have, as I say, some reservations about how successful the minister will be. I think he is sincere in wanting to move up and really do some economic planning in the agricultural area. His government generally is so opposed to economic planning that one wonders how he can carry out what he has proposed in his leadoff comments.

But there are two areas that make me very suspicious. The first is that the minister did not mention canola in his introductory comments. Perhaps when he gets up to reply he will have something to say about that, because the minister last year made a big issue of that and we know it is a real problem. We know what Alberta is doing now with regard to subsidizing canola, but where do we stand here? When the minister does not mention it, it makes me very suspicious.

I also would like the minister to indicate why he did not mention and, to the best of my knowledge, has made no proposal for greater self-sufficiency in soybean production in this province. He must be aware that we are importing a tremendous volume of soybeans. The figures I have before me by the federal Department of Agriculture, December 1981, indicate that our production is about 631,000 metric tons, imports are 400,000 metric tons and the total supply is 1,031,000 metric tons. We export 150,000 metric tons, and I understand that. They export from the west; we have to export one place and import another place.

But even if we look at the net, we are importing a net of about 300,000 metric tons of soybeans. If you multiply the price of that, you find that is about \$60 million. If we were producing that it is revenue that the farmers could be receiving here, and I hope the minister will report on it. This certainly is one of the largest areas—and I am sure he will agree—of import replacement that we could find in a fruitful way.

Mr. G. I. Miller: We can grow those down in South Cayuga.

Mr. Swart: There are a lot of soybeans grown. The production of soybeans increased tremendously a number of years ago, but recently it has not increased to any great extent. The Minister of Agriculture and Food has some responsibility for that, I am sure, and will want to deal with it.

I have only one further area that I want to deal with. Mr. Chairman, I am not going to be able to finish in three minutes. We got a late start. I want to talk about food land preserva-

tion. No one in this House will be surprised that I want to deal with that at some length. I do not mean by "at some length" that I am going to talk for an hour or anything of that nature, but I think I will recognize the clock and sit down. I will commence that part of my discussion on Monday afternoon after the orders of the day.

On motion by Hon. Mr. Timbrell, the committee of supply reported progress.

The House adjourned at 1 p.m.

ERRATUM

No.	Page	Column	Line	Should read:
160	5688	2	38	1982, Player, as trustee, mortgaged to Char Holdings Ltd., which assigned the mortgage to Seaway Trust Co. for \$4.5 million at a rate of 15 per cent due March 10, 1983.

APPENDIX

ALPHABETICAL LIST OF MEMBERS*

(125 members)

Second Session of the 32nd Parliament

Lieutenant Governor: Hon. J. B. Aird, OC, QC

Speaker: Hon. John M. Turner

Clerk of the House: Roderick Lewis, QC

- Allen, R. (Hamilton West NDP)
 Andrewes, P. W. (Lincoln PC)
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*The lists in this appendix, brought up to date as necessary, are published in Hansard on the first Friday of each month and in the first and last issues of each session.

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 Birch, Hon. M., Provincial Secretary for Social Development (Scarborough East PC)
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 Bradley, J. J. (St. Catharines L)
 Conway, S. G. (Renfrew North L)
 Copps, S. M. (Hamilton Centre L)
 Elston, M. J. (Huron-Bruce L)
 Foulds, J. F. (Port Arthur NDP)
 Gregory, Hon. M. E. C., Minister without Portfolio (Mississauga East PC)
 Grossman, Hon. L. S., Minister of Health (St. Andrew-St. Patrick PC)
 Johnson, J. M. (Wellington-Dufferin-Peel PC)
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 Martel, E. W. (Sudbury East NDP)
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 Miller, Hon. F. S., Treasurer of Ontario and Minister of Economics (Muskoka PC)
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Ontario, *LEGISLATIVE ASSEMBLY*

No. 163

Legislature of Ontario Debates

Official Report (Hansard)



Second Session, Thirty-Second Parliament
Monday, December 6, 1982
Afternoon Sitting

Speaker: Honourable John M. Turner
Clerk: Roderick Lewis, QC

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Editor of Debates: Peter Brannan.

LEGISLATURE OF ONTARIO

Monday, December 6, 1982

The House met at 2 p.m.
Prayers.

VISITORS

Mr. Speaker: Before proceeding, I would ask all honourable members to join with me in welcoming the federal parliamentary interns who are guests of the provincial parliamentary interns and are gathered in the Speaker's gallery.

PROVINCIAL AUDITOR

Mr. Speaker: I advise all honourable members that I have pleasure in tabling the annual report of the Provincial Auditor of Ontario for the year ending March 31, 1982.

SALE OF RENTAL UNITS

Mr. Peterson: On a point of personal privilege, Mr. Speaker: On Tuesday, November 30, I directed a question to the Minister of Consumer and Commercial Relations (Mr. Elgie) with respect to a refusal by both Crown Trust and Greymac Trust to grant access to their books by a member of my research staff. Such access is required under section 91 of the Loan and Trust Corporations Act.

On Thursday, December 2, I sent an open letter to the minister setting out the full particulars of Greymac Trust's and Crown Trust's refusal to make their books available, as by law they are required to do. On Friday my research staff attempted to contact the responsible persons in the financial institutions division of the ministry in this regard.

On Monday, December 6, my research staff did contact the financial institutions division. However, they advised that the minister had not sent my letter on to them, or in any event they had not received it. However, we were advised, regarding the section 91 requirements of the Loan and Trust Corporations Act, "The act speaks for itself."

I want to remind the minister that the provisions of subsection 91(5) are mandatory, and I quote, "Such books . . . shall be open during business hours for inspection by any . . . depositor" or by "his agent." The minister is responsible to this House for enforcing or failing to enforce legislation passed by this House. I must insist

that the minister enforce the Loan and Trust Corporations Act, particularly section 91, or answer in this House as to why he is refusing to do so.

Hon. Mr. Elgie: Mr. Speaker, it is not accurate to say the letter has not been referred to the division. It may not have reached that individual's hands, but the letter has been referred to the financial institutions division for its review and advice to me.

I guess there are two issues. First is the private remedies of an individual with respect to rights given under that legislation, and second is whether or not the ministry has any role to play in assisting individuals in exercising their rights in that area. That is the matter this division is looking into and when I have that information I will provide it to the member.

Mr. Speaker: For the information of the honourable member, I must point out that was not a matter of privilege but should have been brought up under oral questions. We will now start oral questions and I will recognize the Leader of the Opposition.

ORAL QUESTIONS

WAGE AND PRICE RESTRAINT PROGRAM

Mr. Peterson: Mr. Speaker, I have a question for the Treasurer, the man who in his last budget brought in taxes on hamburgers, puppies and guppies and chocolate bars, and taxed young people and drove their parents to drink in the process. Now, of course, we are bringing in increases in beer prices in this province.

How can the Treasurer possibly justify, in a time of restraint when he is trying to pilot a restraint program through this House, a series of increases on beer that will violate his own restraint guideline? The ad valorem tax grab from the increase in beer prices will go up 8.3 per cent beyond his own guideline. Out of the 50-cent increase in a case of beer, 23.7 per cent of that increase will be provincial taxes; it will be those ad valorem taxes as well as the retail sales tax.

Hon. F. S. Miller: Mr. Speaker, I believe the request for an increase in the price of beer was

handled by the committee headed by my colleague the Minister of Consumer and Consumer Relations (Mr. Elgie), as all administered prices are to be. My understanding was it was 4.9 per cent for one year effective December 31.

Mr. Peterson: I assume the Treasurer is still responsible for tax policy and is aware his own tax initiatives are violating the guidelines, but I would remind the Treasurer that since December 1981 the price of beer has increased by 15.2 per cent. The share to the brewers has increased by 13.7 per cent while federal taxes have increased 15.9 per cent, but the provincial sales taxes and ad valorem taxes have gone up 18.4 per cent in the last year.

At a time of inflation of about 11 per cent, at a time when he is asking for wage restraint from many sectors in this province, how can he justify that kind of increase over the last year?

Hon. F. S. Miller: I have been corrected. The effective date is December 9 until December 31, 1983. It is for a period of more than a year.

It seems to me that in the last two or three years the breweries have asked for two and sometimes more increases per year as costs escalated in that industry. In the old days we used to approve the price. Now, in effect, we have a veto on it. Therefore, it fell under the administered price jurisdiction. We changed the technique about a year ago now because, if the member asks my opinion, it was probably best left to the breweries to decide whether they could or could not increase the price of beer.

However, we have accepted that it is regulated. Therefore, they have stayed below the five per cent for a full-year period. That is all. They are below five per cent. I believe if the member checks, we have either the cheapest or the second cheapest beer in Canada.

2:10 p.m.

Mr. Peterson: The question surely is one that the minister has to respond to. We have established already that the government percentage, the tax take, is going up beyond the five per cent. Even though the overall price—and the minister is right on the 60-cent increase—is 4.9 per cent, the government tax take is going up more than that.

How can the minister impress upon people in this province that he is serious about controlling inflation when this is one more instance where he is not using his authority to bring prices under control, particularly when the tax take is going up more than the five per cent guideline?

Surely he is destroying the efficacy of the government's own program.

Hon. F. S. Miller: I suspect had we looked into the true cost pass-through principle on beer and allowed all the changes in cost there would have been more of an increase, in fact, than 4.9 per cent. I do not know where the member does his arithmetic. He is sliding back into time to the point where I made a budgetary change in May and he is mixing it up.

I have an ad valorem tax on beer like I have had on liquor for years and years. It is a percentage of the selling price. If the selling price goes up 4.9 per cent, my take goes up 4.9 per cent.

GAINS PAYMENTS

Mr. Peterson: Mr. Speaker, I have a question for the Provincial Secretary for Social Development. We had a discussion on Friday with respect to the plight of elderly women. As I understood her position on Friday, she was under the impression that the plight of elderly women is not particularly serious in this province. Her information flies in the face of the Royal Commission on the Status of Women in Canada, the select committee on pensions, the Royal Commission on the Status of Pensions in Ontario, the Metro study which was published last week and a variety of other studies that would disagree with her.

In addition to that, last April the Premier (Mr. Davis), in a speech to the Toronto Society of Financial Analysts, said: "First we would ensure that the problems of the existing elderly, particularly single people, can be taken care of by adjusting income guarantees from guaranteed income supplement and through provincial programs such as guaranteed annual income supplement. This will be a main priority in our own pension reform effort. In this instance, government alone has the responsibility and the resources to solve it."

Would that not say to the minister that her responsibility must be, as the secretary responsible, to spearhead the drive for pension reform and, in the short run, solve the immediate problem of our elderly women by increasing the amount of Gains?

Hon. Mrs. Birch: Mr. Speaker, I did not deny on Friday that single elderly people were living with many needs. I did point out to the honourable member that this government has considered the recommendations of the pension reform commission. Our Premier has indicated, as this

government has indicated, that the senior citizens of this province have always been our first priority.

I did attempt, and probably very foolishly, to point out to the honourable member that at this time there are many other groups in society who are having difficulty, but at no time did I indicate that this particular group did not require our attention. I think I indicated to him that it was being given full consideration. I also pointed out to him that the figures which the Social Planning Council of Metropolitan Toronto provided to him were not exactly factual. I would like to bring him up to date.

The annual guaranteed income levels for persons over 65—I might add that for everyone over 65 there is no differential in the age group—was \$6,524.28. That is through old age security, the GIS and the Gains-A, the guaranteed annual income supplement for the aged which we top up. This is a well-known fact; and the figures just do not jibe with the facts and figures given by the social planning council.

I would like to share with members that there are some 4,000 senior citizens over 65 in the province who are recipients of family benefits allowances. These people do not qualify for old age security because of the residency requirement and in many instances the sponsorships have fallen down. They receive the equivalent of a Gains-D allowance plus the benefits that accrue to all those seniors over 65.

Mr. Peterson: We have two problems to address. We have to address immediately the problem of the existing retired poor, and that is one way to do it, as the minister knows and the Premier has admitted as much as that.

We also have to address the long-term programs through a whole system of pension reform in this province, an issue upon which the government has been dragging its feet. I am being charitable when I say that.

Is the minister aware of the Supreme Court of Canada decision which came down this morning in the Leatherdale case? I remind the minister, it was a case involving Mrs. Leatherdale, who paid all of the living expenses for her husband while her husband paid into their pension plan and, upon divorce, the Ontario Supreme Court and Ontario Court of Appeal did not award any benefits to her. The Supreme Court of Canada this morning upset that judgement and said she was entitled to some of those benefits under the terms of his pension plan.

Had we had pension reform here, had Ontario

law reform gone far enough to include the spouse in those kinds of pension benefits, we would not have had to wait two or three years, just as we are waiting interminably for changes in the child-rearing drop-out provision. We are the only province now exercising that veto. We need reform for part-time workers, a number of whom happen to be women. Why won't the minister, as the person responsible for a number of these people, take the responsibility to lead in terms of pension reform in this as well as in a number of other areas?

Hon. Mrs. Birch: We have passed along recommendations in all those areas of pension reform and we are awaiting consideration of them.

Mr. Rae: Mr. Speaker, the minister's own Task Force on Ageing pointed out that it costs a single person as much as a couple to provide many necessities. That was the basis for their recommendation that the benefits for single people over 65 should be raised to 60 per cent of what is given to seniors who are married.

I would ask the minister a very simple question: is she saying that she disagrees with that recommendation, or is she saying the government cannot afford \$102.6 million maximum that this recommendation would cost? Which is she saying? Is she saying she disagrees with it or is she saying she is not going to spend that money at this time?

Hon. Mrs. Birch: Mr. Speaker, I did not say that I did not agree with the recommendation. It has been a recommendation from the social policy field that it be increased to 60 per cent of the married couple's—

Mr. Rae: My question is, does the minister agree with it?

Hon. Mrs. Birch: Yes.

Mr. Peterson: The minister should understand the frustration of those of us in opposition, because we frankly do not understand what she is saying from day to day. Her response to my first supplementary was, I gather, she had made recommendations and was waiting for a response.

My question is, what are those recommendations she has made with respect to pension reform? To whom were they made? When were they made? From whom is she awaiting a response? When are we going to have action with respect to pension reform in this province?

Hon. Mrs. Birch: Some time ago these recommendations were made to the Treasurer. I am not suggesting those—

Mr. Rae: Now we finally know the answer.

UNFAIR MORTGAGE PRACTICES

Mr. Rae: Mr. Speaker, my question is to the Minister of Consumer and Commercial Relations. It concerns the question of closed mortgages and the fact that there are literally thousands of Ontarians who are unable to take advantage of lowering interest rates.

Is the minister aware of any practices or penalties that are being imposed by lending institutions on borrowers for mortgages that he would regard as unconscionable or unfair? Is he aware of any of those practices?

Hon. Mr. Elgie: Mr. Speaker, if the member is talking about practices with respect to the opening of previously closed mortgages, no; quite honestly, I cannot recall that I have had any particular matter brought to my attention.
2:20 p.m.

Mr. Rae: I would like to bring some to the minister's attention, since I have been—

Hon. Mr. Ashe: Surprise, surprise.

Hon. Mr. Davis: That's what they call leading the witness.

Interjections.

Mr. Rae: I know the minister is eager to hear about these and I would like him to hear about this particular case.

Mr. Speaker: Question please.

Mr. Rae: The question concerns Mr. and Mrs. Polanka in Sudbury, who signed a mortgage with a five-year term at the rate of 21 per cent in October of 1981. Mr. Polanka has just been advised by his employer, Falconbridge Nickel Mines, that he is one of the employees who will be permanently laid off in the new year. When he phoned the Toronto Dominion Bank to inquire about paying off his mortgage and possibly renewing at the lower rate, he was initially advised that if he paid a three-month penalty he would be able to terminate that mortgage and negotiate another mortgage.

When he was given the discharge statement, which I have here to show to the minister, it shows the phrase "three months' interest at mortgage rate" was crossed out and replaced by the initials IRD—interest rate differential—\$3,524.07. Whereas initially the three-month penalty would have been \$1,100, that has subsequently been changed to a mere \$2,305.20.

Is the minister aware of the practices of the Toronto Dominion Bank with respect to something called the interest rate differential? Does

he not agree that the effect of the imposition of this kind of term on the renewal is going to prevent a great many Ontarians from being able to take advantage of lower interest rates?

Hon. Mr. Elgie: I seem to have recollections of hearing about that particular case some few weeks ago, but I must confess I do not have the exact details fresh in my mind.

Without trying to defend or criticize in the absence of having a more perfect recollection of events, let me say by way of background that the member knows and I know that during these difficult times with interest rates everybody has had problems, including banks, trust companies and credit unions. He is well aware of that. They have had problems in matching their long-term loans with their long-term deposits and in matching their short-term loans with their short-term deposits, and ending up with some balance which allows survival of the institution.

I am not saying that is the case in this case, but the member knows and I know that has been a fundamental problem that has faced all the lending institutions. In the case of the credit unions, they are just recently starting to come out of that horrendous period that caused them great difficulty.

Regarding the particular situation referred to, I do not recollect the exact details. I recall a case like this, or maybe it was this one in particular. I certainly will review it and get back to the member.

Mr. T. P. Reid: Mr. Speaker, is the minister aware that some institutions are charging anything upwards from a three-month penalty—and you are lucky if you can get it; some are five months, some are six months or even longer? Is the minister satisfied that he has enough information at hand to say that all these lending institutions are balancing their long-term liabilities against their deposits? Or are they using this as a convenient excuse to try to recoup some of the profits that have slid in the last few years?

Hon. Mr. Elgie: Mr. Speaker, I do not know that one can talk generally about an industry. I can talk specifically about an industry I have had the occasion to look into in particular, and that is the credit union industry. I know it is now rallying from a very difficult period of matching those investments against loans. I suspect it has been the same in the trust industry and the banking industry.

Whether or not there should be payment of a penalty for an individual who wishes to pay off a mortgage that had previously been at a higher

rate of interest, one should look at the particular instance before one makes a general comment.

Mr. Rae: The minister should know that virtually all the credit unions in the province are still offering open mortgages.

I would like to refer this specific example to the minister. I am quoting from a letter from the lawyer for Mr. and Mrs. Polanka: "When I asked why they renewed for five years at that rate, Mrs. Polanka informed me that she went to the Durham Street branch of the TD Bank and complained about the term, and had been informed that all mortgages have five-year terms. She was given the brush-off when she attempted to ask questions about her mortgage. She was told to sign the documents and that was all. Her husband signed the renewal agreement at home and Mrs. Polanka also signed. At that time they felt they had no alternative but to sign or to give up their home."

I would like to ask the minister to compare the behaviour of the bank in this case, if the allegations of Mr. and Mrs. Polanka are true, with the behaviour of banks when they are faced with a collapse of a major corporation like Dome. Then, the banks are only too prepared to go in and renegotiate and do whatever they can to salvage the situation. In this instance, the full cost is being borne by Mr. and Mrs. Polanka, a laid-off miner in Sudbury and his wife. How does the minister feel about that, and does he not think that these kinds of transactions are unconscionable in these circumstances?

Hon. Mr. Elgie: I cannot add any more to my remark that I will have to explore the circumstances of this situation and report to the member.

LAKE ONTARIO WATER QUALITY

Mr. Rae: Mr. Speaker, my new question is for the Premier. I am sure the Premier will have seen reports this morning that provided some information which has been known for a very long time concerning the safety of drinking water in Lake Ontario and the threats to the safety of that water as a result of the pollution at the S dump of the Hooker Chemicals company. My question to the Premier is this: Did the cabinet at any time consider the possibility of the province taking action, filing a separate action, a separate suit, against Hooker Chemicals in the United States? Did the cabinet consider that? Why, as appears to be the case, did they reject that alternative in favour of certain others?

Why has the cabinet not decided that it is the

government of Ontario that has an obligation to the people of this province in defending the safety of their drinking water and taking direct action against this American chemical company?

Hon. Mr. Davis: Mr. Speaker, I would be going only by recollection. The Minister of the Environment (Mr. Norton)—whom I expect will be here either later or tomorrow—would be able to answer this in some detail.

I think it would be rather dangerous to speculate on my memory in terms of the discussions in cabinet other than to assure the honourable member it was discussed quite extensively. I think it is fair to state there is always that judgement as to the intervention of a provincial or state jurisdiction vis-à-vis the government of Canada. The position normally taken has been to seek the involvement of the federal government, and I refer both to the United States and to Canada, in terms of judicial matters of this kind.

I cannot recall whether the minister specifically recommended to cabinet—I do not believe he did—that Ontario should start a separate suit. That is my best recollection, but I will certainly consult with the minister, if he is not going to be here tomorrow, and answer the member in as much detail as I can.

Mr. Rae: I would have addressed this question to the minister had he been here today, but I am sure the Premier would agree that this is a question of real importance to all of those millions of Ontarians who rely upon Lake Ontario for their drinking water. It is therefore a question of basic policy for the government.

I believe it is the case that very few of the municipalities which use Lake Ontario for their drinking water are equipped with granular activated carbon or GAC filtration systems for the treatment of their water. I think it is generally agreed that these are the only systems to date that would remove the toxic chemicals that it is believed exist in Lake Ontario, from which is drawn the drinking water of literally millions of Ontarians.

With respect to that, has the cabinet considered the implications of the introduction of GAC systems right across southern Ontario with respect to Lake Ontario? Could the Premier advise us of the opinion of the government with respect to introducing GAC systems?

2:30 p.m.

Hon. Mr. Davis: I would assure the honourable member that, unlike the odd question that is asked, I would never argue that this is not a

matter of public interest or importance. That is not always the case, but in this instance I agree.

Mr. Stokes: Where does Brampton get its water?

Hon. Mr. Davis: Brampton gets its water from the Southfield water and sewage—

Mr. Speaker: Never mind the interjections, please.

Hon. Mr. Davis: Probably from the Lakeview plant, which was opened by the then Minister of Education some many years ago; an excellent facility now administered by the ministry, as I recall.

Do you want to know where the sewage goes? I will tell you that, too, if you want to interject any further questions. Do you want to know the know the size of the pipe, exactly what roads it goes up? I was part of the negotiations when that happened.

Mr. Speaker: Now can we return to the question, please?

Hon. Mr. Davis: Yes, Mr. Speaker. I cannot answer that question in a definitive way. My recollection is that the minister has shared both his concerns and what the government is doing with respect to this issue on two or three occasions. I will either make sure that he is in the position to or I will report to the member for him tomorrow. If he is here later today, I am sure he will be delighted to share the most up-to-date information.

Mr. Kerrio: Mr. Speaker, without getting into specific areas of concern I have that have been going on for a good long time as to the quality of water in the Great Lakes system, I will pose a question to the Premier that is more in keeping with his responsibility.

Does the Premier feel that his minister and his government really have the kind of rapport that we should have with a neighbouring state that is obviously doing such a terrible job on water pollution? Does he feel that we have adequate communication and liaison with our New York state friends to make the Premier, the cabinet and the people here aware of what is happening and what we should be doing jointly to correct the problem?

Hon. Mr. Davis: Mr. Speaker, I am delighted the member for Niagara Falls referred to them as "our New York state friends." There was the odd day here when I was not sure he would have used that terminology.

Mr. Kerrio: I have never used any other terminology.

Hon. Mr. Davis: I know the member does not. He calls them friends on the one hand, and two minutes later he is constructively very critical of them on the other.

Mr. Kerrio: The same as I am when I am talking to you people.

Hon. Mr. Davis: Don't put me in the category of being the member's friend, necessarily.

Mr. Speaker: Question, please.

Mr. Kerrio: I didn't say that.

Hon. Mr. Davis: He did. He was pointing his finger over here and saying that is what he says to us.

The minister will have to answer this. I can only reply in the context of my communications with several of the states bordering the Great Lakes. Unfortunately, at our last meeting in June, the governor of the state of New York was not able to be present, but he was represented by someone whose official title I cannot give the member; I do not think it is comparable, say, to a deputy minister, but it was very close to that. With respect to general concern and some of the things discussed by the governors of the states who were there and by the Premier of this province, there was a real measure of unanimity on a continued program for improving the water quality in the Great Lakes.

I cannot answer whether the minister in his direct communications is satisfied with access or with the exchange of information with the state of New York. I can certainly say in a personal way that I am quite content with respect to the state of Michigan, but I have not been as directly involved with New York state. I am sure the minister will tell the member how he senses it to be. My only experience has been with this one individual, who had the same concerns and, I think, was as committed to the improvement of water quality as the governors who were there.

Mr. Rae: Mr. Speaker, I wonder if the Premier would consider introducing legislation that would do two things: first, establish very clearly the maximum levels of contaminants allowed in our public and private water supplies; and second, give to each and every citizen of this province a right to bring an action against polluters and, indeed, against the government and the Ministry of the Environment when these levels are exceeded.

Would the government consider bringing in that kind of safe-water legislation, which would guarantee the protection of the quality of water in Ontario?

Hon. Mr. Davis: Mr. Speaker, I have to suggest, and I say this with respect, that surely this is not a matter the government should legislate in the sense the honourable member is suggesting. Surely the member must understand that this government is committed to safe water and to the improvement of water quality generally. I will not wax too enthusiastic, but if the member traces, as I think he would be able to do with some assistance from his research people, the government commitment both in policy and money, there is no state of the union on a per capita basis, no province of Canada that has spent more, done more or established higher standards and has accomplished as much as has Ontario.

I happened to be present in the nation's capital in 1974 or 1975 when the water quality agreement was signed between the governments of Canada and the United States. It was initiated, incidentally, by Ontario. If the member will trace back he will find that our provincial contribution has met the terms of that agreement. Probably we are the only non-signator to the agreement but none the less involved in it, that has met that commitment.

While I share the concern of the member with respect to the safety of our water supply, I cannot think of any jurisdiction that has made as much progress in water quality or water safety.

GUELPH CORRECTIONAL CENTRE

Hon. Mr. Leluk: Mr. Speaker, I would like to report to the Legislature on two questions raised by the member for Wellington South (Mr. Worton) last Thursday with regard to my ministry.

The first question relates to the recent report of a public institutions inspection panel on the Guelph Correctional Centre. I would point out that although the member referred in his question to a 15-page report to county court judge Edward McNeeley, the section of the report dealing with the correctional centre only comprised about one page.

The member mentioned that some of the panel members were shocked by the layout of the cells in this institution. I would assure the members the layout is similar to that of most correctional institutional cells in the province.

It may well be that some members of the panel are shocked by the stark and spartan realities of incarceration. However I must point out that these institutions are not hotels. They are there to protect society from persons whose criminal activities have been sufficiently severe,

in the opinion of the courts, to warrant their being removed from society.

The panel also made a number of recommendations about minor maintenance items as well as some helpful recommendations about improvements to the facility. For example, the panel recommended the shower areas be renovated. I am pleased to report this work is now under way. There were also a number of comments about the kitchen area where some major renovations have been made in the past year. At the time of the panel's visit to this area additional construction was under way.

It should also be noted the panel made some very positive comments about the recreational facilities at this institution.

I have personally visited the Guelph correctional centre a number of times since becoming minister. I have always found it to be a well-run institution served by hard-working and dedicated staff. I would invite the member for Wellington South to visit this institution at his earliest convenience. I am certain he will be satisfied with what he sees.

With regard to the other question raised by the member concerning the former inmate, Robert Meekinson, I would like to report that on September 20, 1982, a notice of claim was served on officers of the crown law office, civil, by the solicitor for Mr. Meekinson.

Mr. Meekinson alleges he was unnecessarily detained by the Ministry of Correctional Services. However, this contention is being disputed by my ministry. At issue here is a dispute concerning a highly-complex sentence calculation involving multiple terms of incarceration imposed over a period of years, and complicated by escapes from custody, parole violation, legislative amendments and various court decisions on sentence calculation.

As this is a highly complex issue, and as the matter is pending before the courts, I do not propose to comment further on it. I hope this clarifies the situation for the member.

Mr. Worton: Mr. Speaker, I want to make the point clear that I do visit many friends in the institution at least once a year, both at the detention centre and the Guelph correctional centre.

Mr. T. P. Reid: Former Tories.

Mr. Speaker: Order.

Mr. Worton: The one issue that concerns me about this gentleman was his absence from the institution for such a long time. As I mentioned to the minister he was a guest of one of the

former cabinet ministers. The minister was concerned, as I was, as to whether the tailor had received remuneration for the black tie and outfit that was rented to attend this function. Can the minister comment on that?

Interjections.

Mr. Ruston: Who absconded with the silk tie?

Mr. Speaker: New question.

2:40 p.m.

BUSINESS-ORIENTED NEW DEVELOPMENT PROGRAM

Mr. McEwen: Mr. Speaker, I have a question for the Minister of Health dealing with the business-oriented new development program, BOND. Will the minister give the House his views on the comments attributed to the executive director of Kingston General Hospital to the effect that BOND had, in the short term, hurt Kingston General Hospital; and that candlelight dinners, the taking in of outside laundry, and other money-making schemes had failed to raise sufficient money for this institution?

Will the minister agree that the program is clearly not generating sufficient money for Hôtel Dieu Hospital since that hospital is anticipating a year-end deficit of \$1.1 billion? Will he acknowledge that even if hospitals make money from outside operations, his ministry would force them to put this money to operating deficits rather than to capital projects?

Hon. Mr. Grossman: Mr. Speaker, I am surprised to hear that their candlelight dinners do not raise much money. I can only tell the hospital that my candlelight dinners raise a great deal of money. I would be pleased to help them out if they would like. As a matter of fact, all of us raise a lot of money with candlelight dinners.

Mr. Martel: So we have heard. It is your clientele, your clientele is different.

Hon. Mr. Grossman: I should tell the member, as I should remind the hospital, as we have a dozen times or so already, that the BOND program is money over and above our operating transfer. The net ministry liability which we transfer to each of the hospitals every year is meant to cover their operating expenses fully, because we believe that each of the hospitals can live within that transfer. Further, as the member will know, the transfer that we made about a month ago of \$110 million has now put the hospital system in a position where even Hôtel Dieu in Kingston should be able to end the year in a break-even situation.

If that is not the case, then the hospital should be in to see us and, with respect, should not be making allegations that the BOND program really is directly related to their overall financial health. It is not. They know very well that their ability to operate a break-even situation is tied to our regular transfers to the hospital. It is not tied to the BOND program, save and except to the extent which they can use the BOND program to accumulate additional moneys to undertake other programs—to buy new equipment, whatever—which they otherwise could not do. It should not have anything whatever to do with the deficit.

Mr. McEwan: I thank the minister for his answer. Will the minister comment on the report that Kingston General Hospital will be applying for a liquor licence, to obtain operating funds, through the help of my colleague the member for Kingston and the Islands (Mr. Norton)? Will he explain why the health care system in this province has been permitted to deteriorate so far that the hospitals are now having to resort to serving alcoholic beverages in order to make ends meet? It is truly an appalling situation, particularly in view of the high number of people in this province who die each year as a result of alcohol consumption.

Hon. Mr. Grossman: I might say that most members of this House would accept the proposition, as indeed the Ontario Hospital Association has accepted the proposition, that the situation in Ontario is not even close to having a deterioration of the health care system, particularly of the hospital sector.

I do not know who prepared that question for the member for Frontenac-Addington—whether some of his constituents worked with him; whether, heaven forbid, his researchers did or the Kingston hospitals did—

Interjections.

Mr. Speaker: Order.

Hon. Mr. Grossman: —but I think he could put a proposition that the serving of alcoholic beverages should or should not be allowed in hospitals, that is a separate proposition.

I would not want the member's question to suggest in any way whatsoever, in all fairness, that the BOND program or alcohol or candlelight dinners are related to keeping hospitals from deteriorating. With respect, that is a fairly silly proposition.

To clarify the situation, the member himself knows that hospitals—or anyone else—do not need to go through my colleagues or any of his

colleagues, but sometimes people do make inquiries through him or his colleagues. To my knowledge, the hospitals in Kingston have not done that through my colleagues or through me, nor is it necessary at all. He knows that and I know that, and he really should not cast those aspersions.

Finally, might I repeat my earlier reply: if the hospital decides to do that, it has nothing whatever to do in any way with its ability to make ends meet. As I recall, the Kingston General has received more than \$2 million in addition to the 11.3 per cent increase we gave all hospitals at the start of the year. If, based on all those transfers, the KGH thinks it has to enter into any of these BOND things just to break even, then I suggest there are far more serious problems than even the member anticipates. By the way, I do not think that is the case.

Mr. Boudria: We give up.

Hon. Mr. Grossman: I knew you would.

SAFETY OF OFFICE EQUIPMENT

Mr. R. F. Johnston: Mr. Speaker, my question is for the Minister of Labour. By now, I presume the minister has had a chance to read the draft report on the possible hazards of video display units I talked to him about last week.

Can I have his comments on the section on page 6 which states, "There is sufficient uncertainty at the present time to justify a full-scale epidemiological study, and until such time as this uncertainty over the possible effects of the use of VDUs on reproduction is resolved, precautionary measures should be taken." The right to refuse work is one of those that is listed.

Will he comment on it in the context of the decision last January by an arbitration board to uphold the right of Helen Barss to refuse. It said, "However, the board found that Barss' fear of harm to her unborn child was serious, whether or not it had a scientifically recognized basis." Does the minister not think it is wise to take this kind of approach to this problem rather than saying there are no problems and letting women go through this problem of a real lack of peace of mind during their pregnancies?

Hon. Mr. Ramsay: Mr. Speaker, I do not believe I ever said I felt there was no problem. What I did say was, if there is any doubt at all the matter should be explored to its fullest.

In respect to the draft report the member has referred to, perhaps I should explain. This is not a draft report to me. It is a draft report to the Advisory Council on Occupational Health and

Occupational Safety. It will be up to that council to decide whether it will pass that report on to me as it is or whether it will go back to the task force and ask for further information, submissions and discussions. At the moment I have not had that report sent to me from the Advisory Council on Occupational Health and Occupational Safety.

Mr. R. F. Johnston: If I might, I would suggest the minister ask for it. There is nothing to preclude him from having it. If not, I will send him a copy of what I have.

I am a little disappointed with the answer to that question. Is it not the case women are going before the Ontario Labour Relations Board, such as Terry Burroughs from Petrosar, who was dismissed because she refused to stay at a VDT when she was pregnant? Is it not the case that when they go to those hearings, they are often faced with Ministry of Labour officials giving evidence?

I have here two letters, one dated in July of this year and one dated in April of this year from a senior ministry official in which he says the following, "Based on what is known about radiation emissions from VDTs, it is my opinion that testing for such emissions is quite unnecessary." Then he goes on to say, "In the absence of any abnormal conditions at the work station, there are no valid scientific or technical reasons for an operator to refuse to carry out the work for which he or she was hired."

Surely that is prejudicing the case of the women going before these tribunals. Does the minister not think he should say it is time to err on the side of caution rather than being as absolutist as they are being at this time in terms of his high ministry officials?

Hon. Mr. Ramsay: As I have said on several other occasions when the honourable member has brought this matter forward, I am waiting for the report from the Advisory Council on Occupational Health and Occupational Safety. I have not received that report and I do not believe that I should be taking any action on my own until I have received the advice of the council that was set up to study this matter.

2:50 p.m.

LIMOUSINE FARES

Mr. Piché: Mr. Speaker, my question is to the Minister of Transportation and Communications, who was here a few moments ago.

The minister may be aware that a rate increase for airport transportation, such as limousine

service, went into effect on December 2. This represents an 18.5 per cent increase and seems unfair, unjust and intolerable in today's climate of restraint.

Upon further investigation it was found that even some limousine companies disapprove of the rate increase as it will reduce their competitiveness and impair their ability to solicit airport fares.

Mr. Boudria: It is a federal matter, and you know it.

Mr. Piché: I am coming to that. If our government is going to impose restraint programs on the public service and on the citizens of this province, does the minister not feel that we are obligated to encourage and even request restraint in other sectors of the economy? Therefore, will the minister undertake to use his good offices to influence, in no uncertain way, the ruling of the federal Department of Transport and the federal Minister of Transport, Jean-Luc Pepin, on this most important issue?

Hon. Mr. Snow: Mr. Speaker, I was not aware of this substantial increase in limousine fares to the airport. This is not an area that comes under our jurisdiction, but certainly I will contact the federal ministry and let them know of our concerns.

Mr. Piché: In view of this, will the minister also place some urgency on establishing a service that the north has been looking at for some time, such as the Dash-7 service directly between northern points and Toronto Island airport?

Mr. Speaker: That is a great question, but hardly supplementary to the minister's answer.

Ms. Copps: Mr. Speaker, I wonder if the member for Cochrane-North is concerned that as a result of the next election he will fall into the category of the unemployed—

Mr. Speaker: Order. That is not a supplementary either.

ROYAL CANADIAN HENLEY REGATTA

Mr. Bradley: Mr. Speaker, I have a question of the Minister of Tourism and Recreation which has particular interest in the Niagara Peninsula, but certainly he as the minister would be interested for all of Ontario.

As the minister is aware, because we have had a chance to discuss this, the people of St. Catharines and the rowing fraternity and sorority in Ontario were very shocked and dismayed to hear that the Canadian Amateur Rowing Association had made a decision to transfer, on

a temporary basis, and perhaps on a permanent basis, the site of the Royal Canadian Henley Regatta from St. Catharines to the city of Montreal. This is after some 80 years in the city of St. Catharines.

In view of the fact that this announcement has been made and as the member for Brock (Mr. Welch) points out, at least half of the Henley course is in the riding of Brock with the other half, lanes one, two and three, in St. Catharines, would the minister indicate to the House whether he is prepared to make representations to the Canadian Amateur Rowing Association? Would he use his good offices to persuade them to retain the Henley course in St. Catharines as the site of the Royal Canadian Henley Regatta, to maintain this tradition, this history, and the competence that has surrounded it as he would know from his visits?

Hon. Mr. Baetz: Mr. Speaker, I would like to say first of all that I share the disappointment of the honourable member opposite on the possible move of the Henley to Montreal on an every-second-year basis. I know this is a disappointment that also has been shared by my colleague the member for Brock. I know it has been very disappointing news to many people in the St. Catharines and Niagara area because, as the member opposite has pointed out, a long, rich and glorious history has developed over 80 years of Henleys in St. Catharines. I also understand there is good deal of dissension and disappointment even among the executive members of the Canadian Amateur Rowing Association.

While there is concern about this possible move to the Olympic site in Montreal, it is not something that has not been under consideration for some time. As the member opposite probably knows, even in the last 10-year contract there was the possibility of exercising an option to have the Henley held in alternate years in Montreal, although it was not taken up. But certainly it looks now that the Henley will go to Montreal for next year at least. They have a very excellent site, there is no doubt about that. Obviously we do not think it is as good as St. Catharines, but it is a very good site. It is of Olympic standard, it is very much underutilized and there was a good deal of local interest in Montreal as well as some financial incentive.

In response to his question, I assure the member that I will do what I can, and I am sure this government will do what it can, to encourage the rowing community nationally and the Henley community in St. Catharines to be sure

that the Henley does not go away permanently; and I will be very surprised if that is going to happen. Perhaps we will even try to get it back and continue the rich tradition that has been established there.

Mr. Bradley: I want to thank the minister for his level of concern and knowledge of this matter. But, in view of the fact that the city of Montreal apparently offered some \$8,000 to \$10,000 of up-front money, and apparently that was one of the factors militating in favour of the transfer of the site, is the minister prepared at least to give consideration to having his ministry provide a grant to either the Canadian Henley Rowing Corp. or the city of St. Catharines that would assist in the operation of this regatta and would ensure the continued flow of tourism dollars into an area that has an unemployment rate of 19.1 per cent?

I should point out that his ministry in the past has provided a considerable amount of money at that site in St. Catharines, but I am talking of an operating circumstance which might ensure that at least we are on an equitable basis with Montreal in bidding for the retention of that site.

Hon. Mr. Baetz: I can assure the member opposite that we will not allow this thing to go by default. We will certainly talk with the Canadian Amateur Rowing Association, and we will be talking to the St. Catharines community. We will see whether we might be able to provide an adequate incentive to meet whatever financial incentive may be required.

I understand that the offer of finances from the city of Montreal is still somewhat tentative; we will have to wait and see. Certainly it will not go by default, and we will do what we can and must do to make sure that this tradition is continued.

ARGOSY FINANCIAL GROUP

Mr. Renwick: Mr. Speaker, my question is to the Attorney General and relates to the Argosy Financial collapse. I am aware of the criminal charges that were reported as having been laid early in November. My specific question is, what did the report of the police investigation into the Argosy Financial collapse have to say about the responsibility, negligence or complicity of the Ministry of Consumer and Commercial Relations and the Ontario Securities Commission?

Hon. Mr. McMurtry: Mr. Speaker, I am not aware of any statement related to the honour-

able member's question. I have not read all the police investigation reports, as the member can appreciate. I do know the police investigation was very lengthy and very comprehensive, but I had not attempted to peruse the police reports in this matter and I had not intended to do so. I must admit I have nothing to add to that.

3 p.m.

Mr. Renwick: I am aware that it was a long, ongoing investigation. I am also aware that the Attorney General advised me that he would let me know the results of it when it was finally completed.

Will he read the report and advise this House what the report had to say specifically about the continued licensing of Argosy Investments Ltd. as mortgage broker by the ministry, the continued registration of Argosy Financial Group of Canada Ltd. as a security issuer by the Ontario Securities Commission, the continued licensing of London Loan Co. as a loan corporation by the ministry, the failure of the Ontario Securities Commission to investigate the sale of investment contracts by Argosy Finance Co., an unregistered issuer, and the approval by the Ontario Securities Commission of the prospectus of Argosy Financial Group of Canada Ltd. for the issue of \$3 million of unsecured debentures in October 1979?

Hon. Mr. McMurtry: I will review the police report. What response I am permitted to make, considering this matter is before the courts, will depend of course on the contents of these reports. As regards any allegations about lack of competence on the part of the Ontario Securities Commission or the ministry, I will have to refrain from making any comment until I know just what is in the police report; but I will read the report and respond further.

Mr. Bradley: Mr. Speaker, as the minister will be aware, the Ombudsman's office has been attempting to investigate this matter along somewhat the same lines. Can the minister assure the House that he will intervene with officials of his ministry to ensure that those documents and files which the Ombudsman would like to have for his investigation will be provided to him forthwith?

Hon. Mr. McMurtry: Mr. Speaker, as the member for St. Catharines well appreciates, obviously we have to be concerned with maintaining the integrity of the prosecution. If my officials are of the view that letting any of these documents outside of their possession could in some way hinder or undermine the prosecution,

this would be of paramount concern to me. All I can say is that it is something I will review with my officials.

PAROLE BOARD DECISIONS

Mr. Eakins: Mr. Speaker, my question is to the Minister of Correctional Services on behalf of one who did not receive the black-tie treatment. A constituent recently visited my office on behalf of a relative who had been an inmate of one of the minister's institutions some months back. He expressed dissatisfaction with a decision of the Ontario Parole Board.

On receiving further information as to his appearance before the board and on reviewing the Ministry of Correctional Services Act, I find that the parole board was not properly constituted when it rendered his parole-denied decision. His application was heard by two members. The act clearly states that three members of the board are required to constitute a quorum.

My question is, how long has the board been rendering decisions without a proper quorum? Is it still doing so? And how does the minister view the legality of those decisions already rendered?

Hon. Mr. Leluk: Mr. Speaker, I missed the first part of the question. I did not get the name of the inmate the honourable member referred to.

Mr. Speaker: I do not think a name was used.

Hon. Mr. Leluk: Can I just have the question repeated, please? I am sorry.

Mr. Eakins: The question is this: A constituent of mine was—

Mr. Speaker: Instead of the preamble, will you just phrase the question itself, please?

Mr. Eakins: The minister's parole board has been meeting for some time without a proper quorum. Some of the people appearing before the parole board were interviewed by only two members. The act clearly states that three members of the board constitute a quorum. My question is, how long has this been going on and what is the legality of the decisions already rendered by the board?

Hon. Mr. Leluk: I will have to look into that matter, because I do not know whether the member is referring to one specific instance or more than one. If he can give me some specifics with respect to the sittings of the parole board and these cases, I will look into the matter and get back to him.

Mr. Eakins: I am simply asking the minister to

tell this House why the board has been meeting without a quorum, and I would like him to report to the House how long this has been going on. Is it still going on? How many members who appealed before the board had decisions rendered when it was not properly constituted? This has been going on for some months—since last winter or last spring. I want to know whether it is still going on, because those decisions would be void.

Hon. Mr. Leluk: I will have to look into that and get back to the member.

WAGE AND PRICE RESTRAINT PROGRAM

Mr. Swart: Mr. Speaker, I have here a 400-gram package of—

Interjections.

Mr. Speaker: Order, order. Obviously they are looking forward to this question with great anticipation.

Mr. Swart: Yes, Mr. Speaker, the members across the way seem to think the price of food is a big joke. In these times, to many people in this province, it is not.

This 400-gram package of no-name wheat puffs, which is traditionally one of the cheapest ready-to-eat cereals, was sold in Loblaw's last April for \$1.09, the regular price. The regular price now is \$1.49.

I ask the Minister of Consumer and Commercial Relations whether he thinks a 37 per cent increase in this product is reasonable. Will he tell us why it has increased by that much in just eight months?

Hon. Mr. Elgie: Mr. Speaker, can I wait until the package arrives? Is the honourable member sending it over or not?

Mr. Swart: No.

Hon. Mr. Elgie: My children like that. Is he going to deprive five children of the opportunity of eating that in my home?

I think there is not a person in this House who must not wonder how much the member for Welland-Thorold has searched the world over for an example of this. There just has been a month, from October to November, when food prices in this province dropped by an average of 1.3 per cent on 72 items we regularly test. Food and cereals dropped by 2.2 per cent.

The member never seems to want to get up and say those things. In other days it used to be better because he would send the parcel over, but today he is so mean he keeps it to himself. It is bad enough that he fails to tell the House and

the public about the reduction in food prices from one month to another, particularly about a reduction on average in cereals, but to keep that to himself is unforgivable.

Mr. Swart: Mr. Speaker, I—

Mr. Speaker: The time for oral questions has expired.

PETITION

MUNICIPALITY OF METROPOLITAN TORONTO AMENDMENT BILL

Mr. McEwen: Mr. Speaker, I have a late petition from the constituents of the great riding of Frontenac-Addington, to the Honourable the Lieutenant Governor, requesting the withdrawal of Bill 127.

3:10 p.m.

INTRODUCTION OF BILL

GLANWORTH INVESTMENTS LIMITED ACT

Mr. Cousens moved, seconded by Mr. Hodgson, first reading of Bill Pr48, An Act to revive Glanworth Investments Ltd.

Motion agreed to.

ORDERS OF THE DAY

House in committee of supply.

ESTIMATES, MINISTRY OF AGRICULTURE AND FOOD (continued)

The Deputy Chairman: We are continuing discussion on the estimates of the Ministry of Agriculture and Food. I am looking for someone who wishes to continue the discussions thereon.

Mr. Swart: Mr. Chairman, at least three quarters, perhaps four fifths, of what I wanted to say in my leadoff remarks on the estimates of the Ministry of Agriculture and Food—

Interjections.

The Deputy Chairman: Order. The member for Welland-Thorold is very kind, but the other members are not giving attention to his remarks. There is too much background discussion.

Mr. Swart: I was saying, Mr. Chairman, that there is still one area I want to cover in my leadoff remarks. It is a matter that I believe comes under the authority of the Minister and Ministry of Agriculture and Food, and that is land use and the preservation of our prime agricultural land in this province.

I want to say to the minister quite bluntly and quite firmly that his government over the years has done little to preserve this province's agricultural land resource. After having read his comments, not only in his introductory remarks here on the estimates of the Ministry of Agriculture and Food but also in the speech he made at the Canadian National Exhibition, I believe at its opening, I say quite frankly that I do not have a great deal of hope that he is going to take any more positive action to preserve our prime land than his predecessors or his government have done in the 40 or so years they have been in power.

He starts off, both in his leadoff and in the comments made at the CNE, by indicating that he is giving high priority to this subject. I quote from his comments at the CNE on September 1:

"Another priority in the reorganized ministry is the ongoing effort to keep our agricultural land base intact. In this province we have half the productive farm land in Canada but, because our best acreage is close to our larger cities, we often face difficult land use choices." Further down on the same page, page 5 of that speech at the CNE, he states, "While the total land area enclosed by farms in Ontario fell by seven per cent between 1971 and 1981, that figure includes woodlots and other lands not under cultivation." Then he goes on to say, "Our total crop land, the acreage actually planted with crops, increased by 14 per cent over the decade to a post-war high of nearly nine million acres last year."

In the introductory remarks of his 84-page speech—which, incidentally, is turning out to be not any longer than the one I am making at the present time—the minister makes these comments: "One of the fundamental duties of my ministry is to protect that land base, not only to see that it remains as farm land wherever possible and feasible but is used in the best and the most productive ways."

From there to page 47 the minister goes on talking under the heading of "land preservation." The final comments on page 47 are: "We have no more valuable resource in this province than the productive land base which is the foundation of this \$10-billion industry. We are determined to conserve and to enhance our land resources."

In both these comments the minister does not mention two of perhaps the most important things. One, he does not mention any plans to prevent urban sprawl or to prevent urban expansion on to our best land; nor does he make any

comments about the policy of another ministry of his government with regard to aggregate extraction which is slated to destroy perhaps another 250,000 acres of land.

The minister's comments are quite meaningless. He and I both know that there are about 11 million acres of productive farm land in this province. All the minister is saying in these two statements is that the amount of it under cultivation has increased. That is a far different issue from preserving our land base.

I wonder why in his comments the minister did not mention what this government has done—or, more appropriately, what it has not done—and what it plans to do to preserve the agricultural base of 11 million acres and to expand it in the north. All of us here have no objection to expanding agricultural production in the north, although we know that land in most areas is not nearly as productive as is the class 1 land in southern Ontario, primarily because of climate. But the minister makes no comments whatsoever about preventing urban sprawl on to our best agricultural land here in the southern part of the province. As I said before, his government has done absolutely nothing about that.

The minister and other members of this House will know that since its founding I have been an active member of PALS, the Preservation of Agricultural Land Society. I am sure the minister will know, from nothing other than the discussion that took place in the House that the government of this province did not involve itself in defending those prime farm lands in the Niagara region, but in fact I have a quote from an Ontario Municipal Board decision made in February 1981:

"In opposing these requests for additions to the urban areas, it appears to us that PALS was acting in good faith and attempting to carry out what it perceived to be a necessary role as a supporter of the cabinet's decision in 1977 and protector of the public interest in respect of the preservation of the tender fruit lands. Since there was no other volunteer to undertake the task, the presence of opposition from PALS, the agricultural association and some members of the public resulted in a thorough testing of the evidence on both sides."

What the cabinet did back in 1977, as the minister must know, was to make a decision saying, "These should be the new boundaries," and the whole thing was referred to the Ontario Municipal Board. These were boundaries restricted from what the regional municipality

of Niagara wanted, but when it came to the Ontario Municipal Board this government did not defend it there. This government was absent from those hearings and left it up to a volunteer organization, PALS, a number of farmers in that area and a number of farm organizations, including the federations of agriculture, to put the side in opposition to the municipalities. He should know too that municipalities and the developers spent something like \$2 million on the one side and \$150,000 was spent on the other.

3:20 p.m.

Those who were promoting the wide spread of urban boundaries on tender fruit lands had something like 68 lawyers present at those hearings, not all of them all the time of course. On the other side, PALS had one lawyer there during all of those hearings. That is hardly a fair hearing. Yet this ministry did not see fit to intervene to support a recommendation that had been made by the cabinet for the preservation of those agricultural lands.

I want to contrast this with what happened in Durham with regard to aggregate extraction. I suspect the minister knows there was a hearing there in the fall of 1979. During the course of those hearings a letter was sent from the Ministry of Natural Resources to the Ontario Municipal Board which set out government policy with regard to designating aggregate within that region. I am not going to take the time to read this document now, but it was sent out under the signature of Mr. James Auld, who was the Minister of Natural Resources at that time. The letter stated they must include the aggregate within their official plan.

On the one hand we have the Ministry of Natural Resources giving that kind of priority to aggregate extraction, which the municipality did not want or at least not to the extent that had to be included, and on the other hand we find the Ministry of Agriculture and Food would take no part in the hearings to preserve the most valuable agricultural land in this whole province and in this whole nation.

Where was the Ministry of Agriculture and Food when 12,000 acres of class 1 land in Mississauga was approved in stages for development, the hole in the doughnut with which I am sure the minister is familiar? Where is he going to be when Niagara-on-the-Lake submits an application, part of which I believe is already submitted, wanting more land in the Niagara region within the urban boundaries? Ultimately they will probably ask for some 400 or 500 acres to be included there. I believe they have already

asked for about 100 acres of that land to be put in.

Where is the minister going to be in the Brampton case, where 6,000 acres of prime agricultural land is in dispute? I think I know its history and, from what the minister has said in his document, I think I know where he will be: he will not be there to defend the agricultural land.

There are two sets of documents. They are the only policy statements of the Ontario government that are out at present with regard to development. One is the Foodland Guidelines and the other is the statement of policy on aggregate resource. It would be impossible to see two documents that contrast more sharply than these.

I have statements here, and perhaps I should read them at this time, by the Minister of Natural Resources (Mr. Pope) in the *Globe and Mail* dated September 23, 1982, in which he was taken to task in this article by Mr. Bryan Johnson, who is a feature writer for the *Globe and Mail*, for giving priority to aggregate extraction over all other matters.

The Minister of Natural Resources is quoted as saying: "We don't take any position one way or the other on what the municipalities do about it. We just ask that they look at it... to see where the potential exists." Then, because he did not like that article, he wrote a letter to the editor of the *Globe and Mail*, which appeared on October 22, 1982, under the heading "Safeguards Planned on Quarries, Minister Says". I want to quote two short paragraphs from his statement there:

"Largely overlooked in the controversy over aggregate—sand, gravel, crushed stone and shale—is the fact that municipalities have the final say on what new pits and quarries are established and where.

"The Ministry of Natural Resources will not issue a licence for an aggregate extraction operation that does not meet all the requirements of official plans and zoning bylaws. These official plans and zoning bylaws are enacted at the local political level, where citizens have perhaps the greatest opportunity for input on the decision-making process."

I want to say to the minister, and I hope he replies to this when he gets up, that statement by the Minister of Natural Resources simply is not true when he says municipalities have the final say on what new pits and quarries are established and where.

Let me read to the minister some of the

provisions of this mineral aggregate policy for official plans which was signed by Mr. Auld and submitted in a letter dated September 11, 1979; and which is still in force. Mr. Auld stated in this letter to the Ontario Municipal Board at the hearings:

"The attached mineral aggregate policy for official plans represents the basic policy of my ministry with regard to mineral aggregates. This policy reflects the contents of a cabinet submission I made on March 15, 1978, that was approved by cabinet on that date."

Let me read two or three of these 10 policy statements with regard to the priority for aggregate resource:

"The province, in co-operation with the municipalities, must identify areas of high aggregate resource potential and define these areas required for possible future extraction adequate to meet future provincial needs.

"The identification, designation and protection of high aggregate resource potential areas should occur jointly by regional, county and local official plans.

"The Ministry of Natural Resources should have ultimate authority to ensure adequate supplies of aggregate for available future use, and official plans should not be approved until they ensure that municipalities will have available their fair share of future aggregate supplies."

Granted, within the ministry's Foodland Guidelines there are a great many statements, but compare that to the basic statement on page 9 which says: "The overall land base of the municipality must be evaluated in terms of competing land uses to determine allocations to accommodate needs. This analysis provides a rationale for subsequent land use designations in the official plan."

Surely the minister knows that official plans, parts of them where there is controversy, always end up at the Ontario Municipal Board. He knows equally well that the OMB is not a policy-making body, it makes its decisions based on the policies of the Ontario government and of the local municipality, where the local municipality's policies do not conflict with those of the Ontario government.

On the one hand we have the guidelines of the Ministry of Agriculture and Food which, first of all, are only guidelines. Second, they do not require prime agricultural land to be given the highest priority. Then we have the statement of policy by the Ministry of Natural Resources, which requires it.

There is no question that when this goes to

the OMB to determine whether land is going to be designated for agricultural use or for aggregate use, aggregate will win out. Sure, they may permit agriculture to continue until it is needed, but the minister must also know that once it is designated through official plans and zoning bylaws, if anybody wants to use that, even if a municipality says no it will not change the zoning, they can themselves make direct application for a change in the zoning bylaws.

3:30 p.m.

In other words, the situation is that official plans must show the aggregate within that municipality. They must show that. Once it is shown in the official plans, the zoning bylaws can be changed either by the municipal council or by the application of an owner. When an aggregate policy like this one comes before the Ontario Municipal Board, the aggregate producers win out.

The minister may tell this House the land can be rehabilitated for agricultural purposes and it is only a temporary use to take out the aggregate. That is simply not the case. Considering the required drainage and the removing and replacing of topsoil, there is no indication today that prime agricultural land can be fully rehabilitated or even rehabilitated enough so that most of it can be used for farming land in the future.

When the minister and the government say that aggregate is not going to be given priority or that urban uses will not be given priority, the people just do not believe it any more. There was an editorial in the *Globe and Mail* on Thursday, September 30. I will quote only part of it. It is headed, "The Farms That Sit on Gravel."

It reads as follows: "If blanket assurances were all that counted, Niagara's dwindling fruit land would be safe today from the shovels of the aggregate gravel industry. No Niagara farmer, Ontario Natural Resources Minister Alan Pope promised the other day, will be forced to use his land for gravel. Unfortunately for Ontario farmers, however, that pledge is not quite as ironclad as it seems. The minister's promise must be judged against numerous indications that the government is planning to open farm land to future gravel extraction. True, no one would be forced to do so. They would simply be permitted to sell their land to the high-paying aggregate industry.

"Queen's Park is particularly sensitive to the aggregate producers' wishes since the government itself is the industry's prime customer. Half the aggregate produced in the province is

used on government projects. All things considered, as one industry spokesman admitted, it has become very possible that new gravel pits will be opened on Niagara's prime tender fruit land."

It concludes by saying: "The only way to ensure the future of Niagara's fruit land is to give it absolute land use priority, whatever the demands of urban planners, pavers and diggers of gravel pits."

If the newspapers, the media, do not believe the government on this, neither do the farmers. In *Farm and Country*, dated October 26, 1982, there is a heading, "Gravel Plans Spark Concern." It mentions the action taken by the Ontario Federation of Agriculture. "Realizing the concern among many farmers, the Ontario Federation of Agriculture passed a resolution at its recent directors' meeting in Toronto demanding the province's Foodland Guidelines take precedence over the Natural Resources land use strategies on agricultural land."

I am asking the minister if it is his intention to carry out that request of the Ontario Federation of Agriculture. Does he, as minister, believe the prime and unique agricultural land of this province should have the highest priority for land use? It is a simple question and I hope to have an answer from him on this issue when he rises.

That completes my lead-in remarks, and I just want to conclude by saying I believe that the four issues I have dealt with are the real, crucial issues in the agricultural community at this time, and for that matter are crucial to all the people of this province. The fact that farmers are in a crisis is a condemnation of the federal Department of Agriculture, the federal government, the provincial Ministry of Agriculture and Food and the provincial government, and there have to be major revisions in the policies of both along the lines I have suggested to this House.

The Deputy Chairman: Should we invite the Minister of Agriculture and Food to respond to the opening comments, or should we proceed on each of the votes?

Hon. Mr. Timbrell: I would be happy to respond now, Mr. Chairman. I just wonder, since there are two agriculture critics for the Liberal Party, whether the member for Grey (Mr. McKessock) is going to make some remarks.

Mr. Riddell: No.

Hon. Mr. Timbrell: I would be happy to respond to a few of the items raised over the

course of the two or three days that we have sat a few hours at a time to begin these estimates. I do not expect that I will be able to answer in these responses every item raised, but once we get into votes and items there will be an opportunity to come back to some of the things that perhaps require a little more time and a little more detailed information, which the staff, when they join me on the floor, can assist with.

It is that type of exchange that, as I mentioned at the outset, I would have hoped we could have had in committee. I think the members opposite recognize that for the purposes of actually discussing such matters as these it is in fact a better forum, but unfortunately that was not possible this year because of the heavy schedule of the House and its committees.

First of all, the member for Huron-Middlesex (Mr. Riddell) began his response a week ago by inquiring about whether or not I had written to all of the graduates of our five colleges of agricultural technology and of Guelph. I think he said he had been at some function in recent months at which he sat next to a recent graduate of Centralia who said he had had a nice letter from me.

I want to assure the honourable member that while it is probably a good idea, and I thank him for suggesting it, I have not been writing to all of the graduates. I have made it a policy to sign all the graduation certificates. There is a spot on the certificate for the minister's signature. In the past there have been occasions when a stamp has been used, but I think the occasion is an important one in the life of every one of those young men and women, some of them not as young as others among the graduates I have met, so I do sign all of their graduation certificates.

I also send letters to students who have distinguished themselves in one way or another by subject or by overall achievement in a given year or course, so it could well be that the young man next to whom the member sat at this function, whatever it was, was referring either to the certificate he had received, which I did sign, or to a letter I might have sent to congratulate him on distinguishing himself among his peers.

As I say, it is not a bad idea if the member thinks it is something we should pursue; but of course it would be very expensive, and I really would not want to consider it.

Next the member touched on the number of farmers who are leaving farming in a given year. I think he was trying to make the point that while the statistics that are released monthly on

bankruptcies in each sector of the economy would indicate that to date—let me be sure of my figures—we have had about 145 farmers declare bankruptcy, the member was suggesting that this is just the tip of the iceberg, that there are many more than this number who leave agriculture; and to be sure, a lot of farms do change hands in any given year.

3:40 p.m.

I am told, in fact, that judging by a survey that was made—and I am not sure by whom—of land transfers in 1979 and 1980, it is apparently anticipated that in any given year about six per cent of the farms in the province will change hands, and all but a very few would in fact stay in agricultural production as they changed.

Apparently in 1980 a little more than 5,000 farms changed hands, and in 1981 just slightly fewer than 5,000—which, of course, is many more than the numbers who declared bankruptcy in either of those years: in 1980, 122 farmers out of 85,800 in the province, and in 1981, 140 out of 82,448. That is a significant difference from one year to the next, and a lot of that would be due to consolidations: one farmer buying up another as somebody retires or for whatever reason.

I am not quite sure whether the member was trying to say that most of the transfers in recent years have been due to the economy. I do not know that I could accept that, of course, what with the numbers one would obviously expect to retire for reasons of age or health or both, or people who because of changing family circumstances decide to change their lifestyle.

There is no question that, like most sectors if not every sector of the economy today, especially those that involve small businessmen—and farmers are self-employed small businessmen and I try to treat them as such—some do find they are unable to carry on for whatever reason and do wind up their businesses. But they are by no means the roughly six per cent, or 4,500 to 5,000 transactions a year, that involve farms changing hands.

The member went on, and I think I have read press accounts of him saying this before, to say that our spending this year is actually \$14 million less than last year. I want to remind the member and correct him. In 1981-82, the published estimates for the ministry at the beginning of the fiscal year were roughly \$217 million. The published estimates for the Minister of Agriculture and Food for the year 1982-83 are \$283.9 or, if I can round off, \$284 million, which

is an increase, base budget to base budget, of \$67 million, not a decrease.

In 1981-82, there were some add-ons as the year went on, the most significant being for emergency beef assistance payments of approximately \$57 million, and the actual payout for farm tax rebates in 1981-82 was about \$19 million greater than had originally been estimated. Of course, it is not unusual that in any given year money is added to the estimates, depending on the exigencies of the day. The base budget for this year, rather than being less than last year, is considerably more. The \$67-million increase on last year's base of \$217 million works out to better than a 30 per cent increase, base budget to base budget.

We anticipate the amount that is budgeted this year for farm tax rebates will again fall short of our requirements and so we will have to have additional money to complete those payments. The full amount of the farm assistance program is not budgeted this year. As I have explained on a number of occasions, there was a small amount budgeted in fiscal 1981-82 and the balance spread over 1982-83 and 1983-84, inasmuch as commitments assumed under that program up to December 31, 1982, will run to December 31, 1983.

Even there the estimates will be light in reflecting the amount of money actually spent. I am not even including the \$58 million that has been budgeted by the Board of Industrial Leadership and Development for agriculture over five years beginning in 1981. So on average we can throw in another \$12 million per year for Agriculture and Food.

It is not a decrease: it is an increase. This is not to say we can always expect to have 30 per cent increases every year. Obviously that is not possible in this day and age when revenues are declining relative to budgeted expectations and when the costs of maintaining the human and social services are so high and continue to grow.

I know a little bit whereof I speak there. As the Provincial Secretary for Social Development (Mrs. Birch) reminded us last Friday in the House, almost two thirds of the provincial budget is spent for education, health and social services. The most expensive of these commitments did not exist 20 years ago, in some cases even 10 years ago.

Members talk about the percentage of the budget being devoted to agriculture, and I have heard some compare it to 10, 15, 20 years ago. They are comparing quite different worlds. The breadth and the depth of human social services

funded by the provincial government is totally different today from what it was 10 or 20 years ago.

I remember one time talking with the former member for Haldimand-Norfolk, the Honourable James Allan, who was musing about his days as Minister of Highways in the Frost government, when he spent 35 per cent of the provincial budget. It is hard to imagine now that 35 per cent of the budget of this province, at any time, was spent on highways. I will not say the priorities have changed because highways are still a priority, agriculture is still a priority, but some new ones have been added that are very expensive.

It is all well and good when anybody talks about increasing the percentage of the provincial budget; it always strikes a very responsive chord. We would all like to see a greater proportion of the provincial budget spent on agriculture. I ask the member, whenever possible, here or in the third person, to be specific. I am all for fighting to get new programs initiated for my ministry and the people whom we serve and with whom we work, but not just for the sake of spending more of the taxpayers' money, let us be specific.

3:50 p.m.

I will talk about some of the things we have done in the brief time I have been Minister of Agriculture and Food to inaugurate new programs and new services. These new programs and new services are not to make the farmers more bound to government. I worry sometimes that some of the proposals made from time to time in the guise of being in aid of farmers and of agriculture will in the long run only make them more bound to government, more subservient to government and more in government's hip pocket so to speak. I worry that they would be less the way they want to be, which is as independent as possible of the government.

I am sure the member for Huron-Middlesex, if not the member for Welland-Thorold (Mr. Swart), if he has heard it once he has heard a thousand times from his fellow farmers that they would much rather be able to rely on the marketplace than to have to look to government. We have to admire that. That is the kind of mentality I certainly grew up with in eastern Ontario. Farmers did not want government to do it all.

As a President of the United States once said, the government can do everything for someone but it can also take it all away. Farmers are the first to recognize that and want to maintain their

independence of Big Brother, whether Big Brother is at Queen's Park, Parliament Hill or wherever.

Both members opposite who have spoken got into the question of farm credit. I acknowledge there are certain programs in place in some provinces aimed at assisting their farmers. It is what I referred to in our recent meeting in Regina as bottom loading. One of the issues we were talking about when we were dealing with the matter of the development of a new national stabilization program was the concern about top loading. The federal government quite rightly had said to us, when it agreed to talk to us at all about this issue, one of the biggest stumbling blocks in developing a new national stabilization program is that some provinces would want to top load.

Members may recall in recent years there were even times when Ontario proposed to make payments under its agricultural stabilization program and there were threats from Ottawa. This was the case in 1981 with respect to sow-weaner payments. There were threats from Ottawa to deduct the Ontario payments from the federal payments under the Agricultural Stabilization Act, 1958.

We recognize that is an issue and in fact that was openly discussed at the table at Regina. But there are many other things provinces do to which I attach the label of bottom loading. There are many we do. We have talked about some of them—the subsidized debentures for tile drainage; the property tax credits which we have discussed and will discuss again I am sure during these estimates. There is also the assistance that goes out through the Ontario farm adjustment assistance program.

In earlier years, there was a variety of patchwork—and I do not use that word to be critical—but ad hoc support programs which we are trying now to rationalize into something that will help those who really need the help. This would not be a scattergun approach. It would be a case of targeting the problem, not a matter of throwing money at it.

It is not always possible to do a complete comparison. I am not saying this to be critical of the Farm Credit Corp. or the report it recently published. It is fine as far as it goes, but it does not give a complete picture of all of the supports each of the provincial governments gives to agriculture. We do have some programs which I hope members would acknowledge are unique to Ontario and that others have not copied. They have developed others according to the makeup of agriculture in their province.

There is also the fact we have in Ontario one of the lowest rates of taxation, both for personal income tax and for corporate income tax in the country. I think this has to be taken account of because that certainly works to the benefit of the agribusiness sector, particularly our small, independent farmer-businessmen.

I do not want to make too much of it, but a number of years ago—14 or 15 to be exact—the federal government did approach the provinces about the matter of long-term credit. I would remind members that in the main right now, particularly since interest rates have recently fallen as dramatically as they have, the main problem would seem to be not so much in the long-term credit area as in the short-term operating credit area. It is to this area that our farm assistance program is directed.

Fourteen or 15 years ago the federal government, through the then Minister of Agriculture Canada, who I think was the Honourable Bud Olson, approached the provinces and said: "We want to establish the Farm Credit Corp. as the prime lender in the government sector, or of last resort. To do that we would like the provinces to get out of the field." At the time, the only involvement we in Ontario had in long-term credit was with respect to junior farmer loans, of which there are about 3,000 still on the books—

Mr. Swart: It is 3,500 if I can read the sign language.

Hon. Mr. Timbrell: I think it is 3,000—I stand corrected—still on the books, some of which have been turned over. I imagine they would make quite an attractive feature on the real estate listing if somebody is retiring or moving and got a junior farmer loan at fairly low rates.

We got out of the long-term credit field at that time, as did most but not all provinces. In fact, as recently as a decade or so ago the federal government's Farm Credit Corp. was occupying something in the order of about 70 per cent of the long-term credit field. Since that time, their involvement has declined to the point where I think they are now about 25 per cent of the long-term credit field.

I hasten to interject at this point that I am not making the comparison of the decline from 70 per cent to 25 per cent to suggest that they have been withdrawn; I am not saying that entirely. But to some extent I think it can be said that the amount of money available to the Farm Credit Corp. through the consolidated revenue fund of Canada has not kept pace with need.

At least equally significant has been the fact that in the last decade the lending institutions—I

will use that broader term rather than saying the banks, because it is broader than just the banks—have re-entered the farm credit field in a very big way. I think many of them are finding out now that their lending practices could have been a lot better if they had been demanding of applicants—unfortunately this may not be confined just to agriculture; I suspect it is true of any number of small business sectors—but they should have been demanding of applicants the kind of information that we have been demanding for our farm adjustment assistance program.

We say to a farmer: "All right, if you want our assistance, you come in here with your 1981 or your last year's actual results. We want to see what you actually did"—I know the member for Huron-Middlesex knows this—but it is amazing how many had never actually sat down and done that. As members know, there is quite a good organization within agriculture called Canfarm, headed by the former president of the Ontario Federation of Agriculture Peter Hannam, from Wellington county, which is trying to improve business practices in the agricultural community.

They have to come in with their last year's actual results and show them to us. Then they have to show us their 1982 or their proposed next year's plan. Again, unfortunately, that is something many have never done, apparently. I guess in many cases it was done almost by rote—"We did it this way before and we will just keep on,"—whatever the changes in the market.

In many cases, that just is not going to be good enough any more. The market has changed dramatically. We are being buffeted from all sides whether due to currency exchange problems or whether due to disputes between the United States of America and the European Economic Community at Brussels—I worry about our getting caught in the middle of that crossfire if it comes to an agricultural trade war—or whatever the reasons.

That way just is not good enough any more. We make them come in with these two things. We sit down with them. Based on what actually happened on their farm in the previous year, if what they are proposing to do in the coming year is just going to put them deeper in the hole, we do not approve it. But more than not approving it, we work with them to help them to develop a better plan to help them work their way out of the financial bind they are in.

4 p.m.

I have said before in this place and outside of it that things would have been different if the lending institutions in the last decade had been

following those kinds of practices, if they had kept themselves abreast of changes in agriculture; and I do not mean only the agrologists at the head offices of the banks, the credit unions or the trust companies, whatever, but those people in the branches of the credit unions, trust companies and banks scattered around the province who deal with the farm community on a day-to-day basis. If all of them had stayed aware, I think a great many of the lending decisions over the last five or 10 years would not have been made the way they were.

I readily acknowledge we have a role to play there. We are convening a number of seminars over this winter involving leaders of the farm community and bankers. I am not talking about the head office bankers or the trust company people or the credit union leaders, I am talking about people on the front line wherever possible; these are the people we must bring up to date on current agricultural affairs.

Even in the almost 10 months that I have been Minister of Agriculture and Food things have changed, significantly in some respects. It is a very fluid situation which has to be watched very carefully. I have certainly instructed my staff that we are to find ways to improve on the level of knowledge and the access to information by the lending institutions, and to improve on our services and programs to the rural community to promote better on-farm record keeping, management and planning, and to support such things as the efforts of this organization called Canfarm, Mr. Hannam's group.

An example of that would be the development early in 1983 of some new 4-H clubs. This organization has been with us for over a generation, and it has been extremely worth while. You have only to tour the Royal Agricultural Winter Fair as I did on a number of days and meet a lot of these young men and women from all over the province and see first hand the results of their efforts, the pride they take in their livestock, their counties and their projects. It really gives you a lot of hope for the future when you meet these young people.

We are going to add to the 4-H system clubs devoted to financial management. We realize, as I know members opposite do, that the financial problems our young people are going to have to face in the coming years are going to be at least as complex, if not more so, as those which their parents have had to face, and certainly much more so than those which their grandparents had to face. We want them to be ready.

To add some encouragement to that, starting in 1983, we will sponsor five annual scholarships for senior 4-H members to encourage them to continue their education in farm and business management. We will find other ways, I can assure you, through the new rural organizations services branch of the ministry under Mr. Knox—I see Dr. Collin, who is his immediate superior, is here—to promote these ideas—more exchange between the agribusiness sector and the lenders, more educational and training programs, up-to-date record keeping, business management and planning practices.

A growing thing in the farm community is the use of computers. We now have computers in all five of our colleges of agricultural technology and at Guelph so that the young people going through there are exposed to them. The most recent examples I saw were at Alfred College of Agriculture and Food Technology when I went down to open our new francophone college at Alfred, Ontario, about six weeks ago. Our young people are exposed to this aspect. They know how to use the computers and realize their benefits and they are not something mystical. I must admit that even to a relatively young person like me all this computer language and so forth still is a bit of a mystery. But these people will not be scared of it; they will know how to use it, and they will know that they are business people and should use the most up-to-date information possible.

One final point I should make is that the report from the Farm Credit Corp. is very nicely done, the graphs and illustrations are very well done, but it only serves to illustrate how complex a field it is that they have to publish a special report and that it has to be as lengthy as it is with as many illustrations and explanations as it has. The agricultural finance area is not a simple matter.

I mentioned, too, and this comes back to the matter of planning, in answer to a question about two weeks ago from the member for Welland-Thorold (Mr. Swart), that I was concerned when he was giving examples of some of the cheap-money policies of other provinces, that while this is all well and good the results are not always necessarily what he might expect.

I do not mean to take shots at any sister province, but I was intrigued to read—and I hope he has seen it by now—the article that was in the Windsor Star about a month ago about what has happened in Quebec. On the face of it, it looks great. The government supports long-term lending. If it is four per cent plus, or rather

half of the difference between prime and four per cent, if prime is 16, they guarantee their loans at 12. There is also a program, if memory serves me correctly, of \$50,000 for five years interest free for beginning farmers—that sort of thing.

It looks great, and one would say there should not be any problems there. Yet the number of bankruptcies among farmers in that province this year has risen about 200 or 300 per cent over last year, some enormous figure. The reason for this is that there really were no guidelines or controls exercised in the granting of that credit—that I can see, at least—and a number of people were encouraged, apparently, to get themselves into situations out of which they cannot extricate themselves now because of changes in the marketplace.

I am thinking particularly of this article in the Windsor Star about a month ago, which zeroed in on the problems of hog producers in that province, many of whom, because of the availability of relatively cheap long-term credit, overextended. They built too many new vented hog barns, too many new manure storage facilities, too many things that were great to have but not always necessary; and they got themselves overextended.

I can assure the member that in the proposals we have worked up for the development of a new program of assistance to beginning farmers in this province we are certainly not contemplating something where we would just throw money at the applicants. We want to be sure the assistance we give will be well targeted and that it will be supportive, that the borrower will have a plan and that he will agree to regular assistance and counselling from staff in my ministry.

I think those members opposite who represent rural constituencies have probably heard countless times over the course of this year from people who have either applied for and received assistance under the farm assistance program or have gone in and sat down with our staff, that they have benefited greatly not just because they have received monetary assistance but because our staff have been able to give them some very critical advice on how to improve their record-keeping, their business management practices and their planning practices, and that will be very important in the long run.

4:10 p.m.

To his credit, the federal minister has recently, about six or seven months ago, taken legislation through the Houses of Parliament to expand the authority of the Farm Credit Corp. to

borrow money. Up until now it has been dependent entirely on the consolidated revenue fund of Canada. I have already mentioned those monies have not kept pace with growth and demand, not that the Farm Credit Corp. should necessarily have always held at 70 per cent of the long-term credit field, not at all, but it seems to me there is probably a bigger role for it to play than the current 25 per cent, particularly when one looks at the distress money it allocated this time last year.

If my memory serves me correctly, the Farm Credit Corp. ended up helping about 125 farmers in the province, about 65 to 70 of whom were old clients. Only about 55 or 60, as I recall, of the farmers approved were new clients. Do the members remember Mr. Whelan's dire straits money of a year ago? The balance who were included under that program were old clients. They were simply refinancing.

We do think there is a need for a great deal more money there. Five months ago, almost to the day, when we sat down at the annual meeting of the ministers of agriculture in Halifax, Ontario and British Columbia presented a paper on farm finance pointing out some of the problems. We asked Mr. Whelan where the prospectus was because, under this new legislation, the Farm Credit Corp. is going to go to the world money markets wherever there seems to be a reasonable deal on long-term money. But one does not go to New York, Zurich, Bahrain or wherever in the world without a prospectus.

I am told that has only recently surfaced, within the last six weeks or so. I believe that to date not five cents has been raised. I stand to be corrected, but it is my understanding no money has been raised under that new legislation. That is very unfortunate.

As the members know, the Ontario Federation of Agriculture has urged them to look at the agri-bond concept and to further it through this new legislation. I am told the federal minister received the representations warmly. One would hope that he would find any way he could, within the bounds the Treasury Board and the Department of Finance in Ottawa will let him, to use that new legislation to increase the amount of long-term credit available through the Farm Credit Corp.

I am reminded that a year ago, dire straits money was not new money in the main. I should add that. It was redirected money from long-term funds of the FCC. It was not even new money. But apparently the prospectus has been

filed with the Securities and Exchange Commission in the United States for \$100 million US.

One statement the member for Huron-Middlesex made which I must take issue with is that he said in effect, and I am paraphrasing here, "Farmers in other provinces are out-competing Ontario farmers."

The physical volume of agricultural production in this province has increased by 26 per cent based on three-year averages. This compares to a 25 per cent increase for Canada since 1970, so we have actually kept ahead; not by a wide margin, but we have kept ahead of the national figures.

Our output per farm in the province has been increasing slightly faster than for Canada as a whole. Farm numbers in both Canada and in Ontario, between 1971 and now, have decreased by 13 per cent, that is for both the country and the province, while the total output has increased. The number of farms is down because of the process of consolidation.

It is interesting to look at the figures over the last 25 years. The number of farms is down remarkably, from 140,000 in 1956 to 82,000 in 1981. The amount of land under cultivation is up dramatically from 1956, but the actual number of farms has declined. Our farms, therefore, are getting larger and they are getting much more efficient.

In my opening remarks I pointed out the tremendous growth in productivity of Ontario farmers in the last decade and the need for them to be even more productive in the coming two decades, as we face horrifying worldwide problems with respect to food and its availability.

The honourable member touched on the extension of the farm assistance program. I want to remind him of the official response of the president of the Ontario Federation of Agriculture. He said it is a temporary program. I certainly emphasize that. We want to get to a longer term program which would be embodied in a much improved national tripartite stabilization program.

He said we need the program. We agree with that. We responded fairly quickly a year ago to the task force report. The president of the federation was a member of that task force. I quote him as he referred to the extension, "We asked for it. I am pleased we got it in a reasonably short time."

There are three options under the program. Option (a) is the six-month deferral of interest on outstanding operating debt. Option (b) is the granting of up to five percentage points of

rebate on interest on outstanding operating debt.

I may have misled the House a bit last week. I talked about approvals having been made on operating loans in excess of \$570 million. I believe the updated figure is now \$616 million on which we have approved interest rate rebates.

Option (c) is the guaranteeing of new lines of credit. That is essentially there for the lenders. It is not to protect them; rather, when there is insufficient security to cover all operating loan requirements that is one way we, with the co-operation of the lenders, can keep the farm operation going in the hope we can help it return to a viable state. If we were to follow the honourable member's suggestion of providing interest subsidies on that as well we would be providing a great incentive for lenders to cover their position, to divert normal operating lines of credit to option (c) which would normally come under option (b).

Each option was targetted at a particular problem. Obviously option (b) is the one that has been taken up most. That is where we have interest rate rebates approved in excess of \$600 million. That is the point I was trying to make with the member for Grey (Mr. McKessock) last week when he was saying we only spent \$13.25 million as if to imply that is all that is going to be spent.

It is true to the point this report was filed, that is what we had sent out in interest rate rebate cheques; but to use the same expression I did that day, we are on the hook for much more than that when we have approved interest rate rebates on over \$600 million. It starts to hover around the \$30-million mark just for that option alone, plus whatever we end up having to pay out with respect to guarantees under option (a) or option (c). We are by no means finished this year, never mind the extension of the program into 1983.

4:20 p.m.

Finally, I would simply say that a guaranteed line of credit at prime still has to be one of the best deals in town. I do not know too many members of this House, quite frankly, who could get that good a deal without some guarantor standing behind them—even the member from St. George, and I do not mean the riding of St. George.

The honourable member felt the fact that to date something around four per cent of the farm population has been approved for assistance is an indication of a shortcoming in the program without, with all due respect, indicating what

level he would consider in his mind to be evidence of success.

I want to tell him, though, that while in the sheer numbers of farmers it represents around four per cent, the agricultural output value of these farms in 1981 was almost \$500 million. In 1981 this four per cent of the farmers represented about 10 per cent of the province's agricultural output. I might impress upon you that the extent of the assistance to the agricultural community to date is rather more extensive than you might have thought. That is not even throwing in the argument about the other programs like the farm tax rebate program and others that benefit the whole of the agricultural community.

This really comes back to the point I wanted to make earlier when I was talking about the arguments which were made about the percentage of the budget that goes to agriculture as opposed to the percentage that goes to health or whatever. If I may, I would like to try to make this argument by comparing my previous ministry to this one.

In my previous ministry, I spent close to 30 per cent of the provincial budget. That money represented the bulk of the lifeline of the health industry. There is a health industry in this province and the bulk of its lifeline or life-giving money comes from government. It is, as they are quick to remind us—and some bemoan the fact more than others—very much reliant on and tied to government.

The decisions I made as Minister of Health for over five years, when it came to funding, affected every hospital, every public health unit, every health practitioner, one way or another, in the province.

I can only say that when you get into this argument about the level of government funding, surely you are not suggesting that the Minister of Agriculture and Food would ever come to the point that he or she would have that degree of control over the agribusiness sector that the Minister of Health has over the health centres?

Mr. McGuigan: If we go to tripartite stabilization, you will have control over them.

Hon. Mr. Timbrell: No, with respect, much less so than apparently the honourable Minister of Agriculture Canada is considering. In fact, from talking with him a couple of weeks ago over breakfast one morning during the federation convention, I got the impression myself that what he may be thinking of but to date has

not been able to get through the federal cabinet, is a program to support the red meat sector only.

Members should not forget that when I talk about tripartite stabilization, I am talking about every agricultural commodity that is not under supply management. So I am talking about something in the order of the 65 to 68 per cent of agricultural output which is not on supply management.

I am talking about a voluntary program, I am not talking about a compulsory program. I am talking about a program that will be equally funded by the producers, the provinces and the federal government.

I am talking about a program that would be nonincentive in nature. We do not want this program to encourage unnecessary production or overproduction because that would be counterproductive. You only have to look at what has happened in Europe. I only spent a day last June in Brussels with the officials of the European Economic Community but I very quickly got a very clear picture of them spending 75 per cent of the budget of the European Economic Community on agricultural supports. They are about ready to blow their brains out because of all the overproduction that has encouraged and they are trying to find some way to put caps on those supports and to remove those incentives. They have horrendous surpluses, particularly in dairy products, but that is another story.

Tripartite stabilization would have much less control. It would be voluntary. No farmer would be forced to join it. It would be nonincentive. He would be an equal partner in it with government.

But what the federal minister is apparently looking at is some kind of an improved stabilization or level of price support for beef and for hogs tied to production controls, a form of supply management. This is what one hears rumoured all the time and I certainly could take it from remarks he made to me as recently as two weeks ago that perhaps that is entirely what he is trying to push. It is something the federal cabinet to date has not been willing to accept. Perhaps that is because they know that at the last annual meeting of the Ontario Cattlemen's Association and the Ontario Pork Producers' Marketing Board, the producers voted against supply management.

Perhaps they know that at the Regina meeting, held almost five weeks ago, the producer organizations, including the Canadian Pork Council, the Canadian Cattlemen's Association, the Canadian Federation of Agriculture

and so forth, said, "We do not want supply management forced down our throats, although we are not arguing against it."

And I am not arguing against supply management. It works for milk and cream, with the exception of overbase quotas, which I will come to in a while. It even works for the poultry industry. But it is not a panacea. We do not think it should be rammed down people's throats. They probably know that.

There was another report in the papers in the last day or so that the federal minister wants to meet with the provinces and the producers before Christmas on stabilization. I will tell you, if he called me now and told me there was a meeting tomorrow morning at seven o'clock in Ottawa I would be there. It is that important. We have to get on with it, but I will come back to that a little later on too.

I can assure my friend that I do not want to increase the presence of the government in the daily lives of farmers. Perhaps he was not in the chamber when I said earlier that one of the things that has always impressed me about farmers, and certainly it is something I grew up with as a young boy in rural eastern Ontario, is the independence of farmers who, as many of them have said to us from time to time, would sooner take their support from the marketplace than from government. You have to admire and support that and, in my mind, you have to keep that as the driving force behind any policies.

The member referred to concerns about the provision of adequate operating credit next spring and the tough lines that lenders will take. I am sure that is true of all types of lenders, but that is also why the farm assistance program has been extended. If the member will recall, within about a month or so of my assuming this portfolio he asked me whether I was worried about the amount of land that was not going to be planted this year and whether I was concerned about the rumours of the numbers of people being denied credit.

As he knows, it turned to be a bumper year. There was very little of any land left lying fallow this year that had been in production in 1981. In fact, there were many examples of land brought into production 1982 which had been fallow before. I can only assure the member that the farm assistance program is intended to continue for one more year as a co-operative venture of the banks and other lending institutions with the ministry and the government and the individuals.

4:30 p.m.

I cannot say that every farmer who produced in 1982 will produce in 1983. I can say that we will do everything we can within that program to help those who can continue to be viable in 1983 to stay in production, but I cannot guarantee every single one of them will still be there.

Every case is different. There are more than 82,000 farmers in this province and no two are the same. One cannot generalize. The makeup of their debts and of their requirements is sort of no two peas in a pod being the same. Every farmer is entirely different from the next one.

That is the great thing about this program compared to many of the ones before. We have had programs in years gone by where, across the board, if one had so many cattle one got so much money from the government whether one needed it or not, whereas this program is targeted. We want to help the individual. We want to guide and counsel the individual to help him or her work his or her way out of the problems he or she is in.

The member knows as well as I do, because he goes around the countryside as much as I do, that farmers recognize the value of this program; not just those who have received money but also those who have received advice, counsel and direction from our staff.

On a relative basis, the United States Department of Agriculture just held its outlook conference in the last 10 days and its predictions for agriculture in the United States for 1983 are probably about the worst they have ever been. The Canadian Agricultural Outlook Conference is under way today and tomorrow in Ottawa and I will be surprised if it does not paint a fairly gloomy picture as well.

That is not to discourage us. That is not to say there is nothing we can do. The farm assistance program is evidence of what we can do. Our proposals for tripartite stabilization are evidence of what we can do. Our efforts to displace imports and to increase exports are all things we can do to improve the lot of farmers today.

I am told it is expected this year that the United States farm income in 1982 will decline by fully \$19 billion, which is a 24 per cent decrease from 1981.

Mr. Swart: Exactly the same as in Ontario.

Hon. Mr. Timbrell: No. Actually it is much worse than ours, from the figures I have seen. Part of that may be due to supply management for about one third of our agricultural output in this country. Part of it may be due to a variety of programs, such as the Ontario farm adjustment assistance program, which in the main do not

exist in the states of the union. The situation there for the past four years has been a steady decline, much worse than here in Ontario or in Canada.

The member indicated that in his view the government lacks a clearly defined agricultural strategy. In the short time available to me, I have tried to outline the basic elements of that strategy through the document we put out in April called *Mandate for the 80s*, which describes the reorganization of the ministry and in essence our priorities in the ministry I now head.

I point to the fact that in the reorganization we have created a third assistant deputy minister with specific responsibility for finance and policy because, in my view, the ministry needs to be better equipped itself to keep on top of changes in agriculture, to be developing policies to reflect those changes and to support the agribusiness sector as part of a free enterprise system.

It is essential that we work together. The member for Welland-Thorold said he thought, the way I am handling it, that I am perhaps starting to sound like a democratic socialist. I can assure him my intentions are anything but to establish a democratic socialist system such as was created in Saskatchewan.

Let me remind my friend that the last time somebody tried to implement a democratic socialist system over farms—and I mean, of course, Saskatchewan with respect to the previous government's policies on the ownership of farm land—they got thoroughly trounced in the election, having lost 55, now 56, of the 64 seats. So we are not going along those lines.

But I have always recognized as long as I have been a minister, and it is almost nine years now, that it is essential to work together with the representatives, the leadership, of the industry, and that the government has to be prepared to back individual initiative—and I have pointed to some of our research projects and to a number of the development projects—and be willing to provide the incentives as well as the climate for individual and group initiative.

Mr. Riddell: What is a democratic socialist? I thought a socialist was a socialist was a socialist. Where do you get this "democratic socialist" bit?

The Acting Chairman (Mr. Edighoffer): Order.

Hon. Mr. Timbrell: I am not even going to get into some of the writings of my friend's national leader 20 years ago on the question of democratic socialism and Liberalism.

I am trying to remember the quote from Winston Churchill, who said, "The inherent vice of capitalism is the unequal sharing of blessings; the inherent virtue of socialism is the equal sharing of miseries." Those words were spoken by Winston Churchill 40 or 50 years ago, and they are no less true today than they were then.

Mr. Riddell: Repeat that story you told to the Ontario Federation of Agriculture about the beginnings of socialism under John Coldwell.

Hon. Mr. Timbrell: M. J. Coldwell?

Mr. Riddell: Right; that was a good story, it bears repeating.

Hon. Mr. Timbrell: I will get around to it. That is why I wanted to be in committee. In committee you can do that sort of thing; you can take your jacket off, roll up your sleeves, sit around the table and have a good discussion.

Mr. Nixon: Just go ahead; don't let the Minister of Education (Miss Stephenson) intimidate you.

Hon. Mr. Timbrell: Listen, 25 years ago I sat in that gallery as a young student from Regent Heights Junior Public School in Scarborough and I have always been in awe of this chamber. I would not presume to tell a joke, let alone take off my jacket, in this chamber. It is a little bit more formal.

Mr. Grande: I didn't think you were that old.

Hon. Mr. Timbrell: Oh, I was four years old; you think 36 is old?

Mr. Grande: Oh, you said 25?

Hon. Mr. Timbrell: Twenty-five.

Mr. Grande: I thought you said 45.

Hon. Mr. Timbrell: Oh no, I remember it well. Father Downer was in the chair overseeing the activities—now Canon Downer, of course, since September 18, 1975. Mr. Allan was the Minister of Highways at the time; and the great man himself, Mr. Frost, was the Prime Minister. Even as a young boy I can remember him standing up, and perhaps it was the father of the member for Brant-Oxford-Norfolk (Mr. Nixon), Farquhar Oliver or one of them who was after him on a particular point, and he got up, just stretched out his big hands and all of a sudden the House went quiet because the Prime Minister was going to speak. I remember that as a young boy of 10 or 11 years of age.

Mr. Riddell: Boy, if only we could have the same leadership as we had in those days.

Hon. Mr. Elgie: That's what we need: good, solid leadership.

Hon. Mr. Timbrell: That is a good point, you know. My friend might not want to be on the record, because the Leader of the Opposition (Mr. Peterson) might take offence if he heard that.

The member asked what I am going to do if the federal minister says he is not interested. To this point the minister has not said no; in fact, he has repeatedly said he wants to meet with us.

Back in the spring I asked him for a meeting on stabilization, and I was told to wait until the ministers' conference in Halifax in July. So I went to Halifax and presented my proposal for a national tripartite stabilization program. The proposal was formally typed and not too expensively bound. It was written, typed and bound in French as well, I want to point out.

4:40 p.m.

I do not know whether I have shown this to members; if I have not, I will have to do so. What we got in return was a disgrace. In fact, if anything it was an insult to the intelligence of all the people sitting around that table.

Mr. Nixon: Written in longhand?

Hon. Mr. Timbrell: No; I will tell my friend exactly how it happened.

On the opening day, Tuesday—Monday was for the provincial ministers to meet and go over the agenda; on Tuesday we sat with the federal minister—we started off with this as one of the first couple of items in the morning. The federal Minister of Agriculture said: "I am sorry. I cannot deal with it now. My papers are on a plane bound from Ottawa." I turned and looked out the window and could not see past the window; there was a pea-soup fog. I said, "All right; I guess we have to wait for the fog to lift."

By two o'clock in the afternoon, after lunch, the fog had lifted. It was a beautiful day in Halifax. We said, "All right, where are your papers?" He said, "They are being reproduced." We said, "Well, we will wait a little bit longer."

Later that afternoon we said, "Now can we talk about stabilization?" He said, "All right." He handed out four separate pieces of paper which had been cribbed from old documents, some of them four and five years old. There was a page 2 and a page 3, but they were not from the same original documents; page 2 came from one and page 3 came from another. Quite frankly, it was a disgrace; it was an insult to the intelligence of the people around that table.

We are not trying to embarrass the federal

minister. We realize that perhaps he is having some difficulty getting some of his proposals through the federal cabinet. We did not march out of there in protest. I have always indicated to my federal counterpart that I want to work with him, that life is too short to engage in petty, short-term political tricks.

At the end of the discussion, and it was I who pressed him on the point in the closed meetings, he indicated that he was not able to discuss the issue but thought he could do so by the end of August. I said: "All right, if that is the case, Ontario will offer to host the meeting."

He wanted to hold it at Minaki. I am sure he did not realize that Minaki is not open yet.

Mr. Breaugh: You do not want to wait for it to open.

Hon. Mr. Timbrell: Exactly.

Mr. Nixon: One thing about you ministers, you develop expensive tastes.

Hon. Mr. Timbrell: I have a used car. What is my friend talking about? He is the one who pointed out I have a used car.

Mr. Nixon: That is just window dressing.

Hon. Mr. Timbrell: I indicated that we would host the meeting; and, what is more, I said that in our view that meeting either should be completely open to the public and the media, or at the very least should include representatives of the national producer organizations so that they could see and hear firsthand what is actually said by whom in those meetings. He agreed to the latter; he would not agree to include the press.

Mr. Riddell: Why didn't you make a plea for opposition critics?

Hon. Mr. Timbrell: My friend is always telling me he is independent and does not want in any way to be beholden to government. He can do his own pleadings; he knows him better than I do anyway. Apparently my friend does not get any further with him than I do.

Following that, we waited. There was no meeting in August. When we pressed the matter, he indicated it would have to be early fall.

Finally, we—and when I say "we," I do not mean just Ontario; I mean some of the provincial ministers, particularly the minister from Saskatchewan and myself—we got tired of waiting. We did not want to let the issue die, die of old age or wither or atrophy, whatever word one wants to use; so we decided we would hold our own meeting.

It was held in Regina and was scheduled for

the third and fourth. We only had to meet on the third, because we came to a very quick and solid consensus. We invited all the provinces, and only Newfoundland was not represented because their House of Assembly began its sittings that day and the minister and deputy had to be at home.

We invited representatives of the federal government. They sent four or five people. We invited the national producer organizations. There were about five national organizations represented, including the Canadian Cattlemen's Association, the Canadian Pork Council, the National Farmers Union and the Canadian Sheep Breeders Council.

We discussed this question. We tabled another paper, which I believe the member has been sent; if not, I will happily give him a copy in French or English or both.

Actually we probably could have adjourned the meeting after the first half day, but we wanted to make sure that people had time to reflect over lunch, so we came back at it in the afternoon. It was very clear. Everybody said, "Yes; we believe we have to try to do this."

The Canadian Cattlemen's Association has spent a lot of time and a lot of its resources to work up what it thinks is an appropriate plan for beef. The Canadian Pork Council has worked up a very elaborate proposal about what they think is appropriate for pork. They are not the same. In my view, that is not a reason for stopping. Perhaps someone in the federal government will point to it and say, "The beef people want one thing and the pork people want another. We cannot go on that."

We acknowledge that under a tripartite stabilization program there could be a variety of plans. One does not have to do it exactly the same for pork as for beef, or as for cash crops or for food and vegetables or whatever as long as the overriding principles are followed. I do not think everybody there recognized that. There were governments there of different political stripes. There were two socialist governments represented. There were seven Conservative governments represented, some of which are more conservative than others.

Mr. Philip: Were there any Liberals there?

Hon. Mr. Timbrell: I did not see any Liberals, now that my friend mentions it. In fact, I have not seen a Liberal at an interprovincial conference for a long time. Where are they?

Hon. Mr. Elgie: Was there not anyone there who was Liberal?

Hon. Mr. Timbrell: No. Thank God for the game and fish laws or there would not be any left in the country.

Mr. Nixon: When the big boss comes on the scene all you do is criticize him, you won't let him wear his green hat.

Hon. Mr. Timbrell: At any rate, at the end of the meeting, I and Mr. Benson, the minister from Saskatchewan who co-chaired the meeting, sent a telex to the federal minister informing him of the consensus. His staff were there and they reported it to him as well. We asked for a follow-up meeting. He has indicated recently that he thinks it would be possible to meet before Christmas.

We are not going to let the matter drop, as much as some in the federal government would like to see us do that. By that I do not mean Mr. Whelan, I am not taking a cheap shot; but some in the federal government would like us to just drop the whole matter and forget about it, and we are not going to.

I have been very careful to this point, because I recognize there are some in the federal government who would like the problem, the political problem at least, to go away. I have been very careful not to muse publicly about our other options. Obviously there are other options, but the best for the producer organizations is still to get the three sectors—two of them government and one in the private sector—to sit at the same table, agree that we should try to develop a better national stabilization program and set the wheels in motion to do so.

There are tremendous problems to overcome. British Columbia has had a program in place for 10 years, and the producers there are not going to want to take less than they get now. Quebec has a variety of programs. They were the only ones to disagree with any part of the communiqué. We are talking about a tripartite program, do not forget. They said that in their view the producers should not have to pay anything. If the government of Quebec wants to pay the producers' share, I guess that is up to them.

There are tremendous problem to overcome, but I have to believe that they can be overcome, that it is possible to develop such a program and to do so in 1983. For me to start to list here the options I see if the federal government gives us a negative answer—the member probably has thought of the same options—would be to encourage them to reject our proposal.

4:50 p.m.

Mr. Riddell: Saskatchewan did not sit back and wait. They just recently announced a long-term credit program—\$350,000 per farmer at eight per cent interest.

Hon. Mr. Timbrell: With respect, that is not stabilization, no more than many of our programs are stabilization. In 1984, we are going to put \$85 million back into the agricultural economy through farm tax rebates on productive farm land. That is not stabilization. That is what I euphemistically refer to as bottom-loading. That is a very significant contribution, or bottom-loading feature, that would not be part of stabilization.

That would not be ruled out by an agreement not to top-load any more than narrowing the differential in hydro prices a couple of years ago would be an affront to the principles that we have espoused for stabilization. That is a form of assistance—I will continue to call it bob-and-weave, for want of any better term—an assistance bob-and-weave that each of the provinces would be free to choose.

Mr. Swart: Mr. Chairman, while the minister is discussing this matter, can I pose a question to him on the tripartite income stabilization program?

Were funds discussed at these meetings? What indication did the minister get, or what indication can he give us now, as to the amount of money he is talking about that Ontario is willing to put in as its third share?

I am certainly no authority on what British Columbia is doing, but it is doing much more than Ontario is doing at present vis-à-vis the number of farmers. The new program in Saskatchewan, in a different sense, also is doing more than Ontario has done.

The bottom line of this whole matter is how much money our government is willing to put in. Was that discussed, and what were the minister's comments in that regard?

Hon. Mr. Timbrell: Money or budgets per se were not discussed in any detail; in fact, we were all very careful at the meeting to avoid a lot of the detailed work because we knew darned well that if we started to get into the merits or the demerits of one plan, say the proposal that has been worked up by the pork council, or another plan such as that worked up by the cattlemen's association, we would have been there for a month of Sundays doing the work we really want a committee to do after the three parties get together.

We have estimated—and to a large extent this

would depend upon the nature of any program eventually agreed to—that our costs would be of the order of \$30 million to \$60 million a year under such a program; that is a wide range because there are many different models that have been banded about.

Considering the amount we have put out through various short-term programs, we think such a proposal in the long run would not cost us any more, or if more, very little more than what we are spending at present on an ad hoc basis, but would introduce a more stable basis on which producers could plan their production and into which they could fit their particular part of the business.

Later on in his comments, the member for Huron-Middlesex was dealing with the question of tile drainage allocations. He indicated—I think I am paraphrasing him correctly—they were about 40 per cent less than the demand last year and that it will only go to aid some 700 farmers if they only receive half of their maximum loan limit. I think that is what he said.

I just want to put these facts on the record. The allocation is based on the recommendation to each of the municipalities that they support 60 per cent of the cost of approved projects. If that is where the member was getting his 40 per cent figure, then I suppose he is correct, because we do not subsidize debentures on 100 per cent of the cost of approved projects.

The legislation provides for a maximum of 75 per cent support. This year we recommended 60 per cent, which by the way is pretty well dead on the average from last year. I think the average support given last year on farm tile drainage applications was about 61 per cent, but municipalities were all over the map. A very few were giving 75 per cent support and others were down in the 30 to 40 per cent range, but the majority were in the 50 to 60 per cent range. One could have people in the same county across the township line with support at either end of the spectrum depending upon their local township council and how they chose to apply the program.

In devising the 1982 program, I instructed staff that they were to tell the municipalities we urged them to support projects at 60 per cent. Some still have not done that. Some have provided support less than 60 per cent based on the theory that if one spreads money to more by giving each one less, that somehow is better. That is their decision, but I am going to continue to urge them to carry out their role on farm tile drainage in such a way that farmers across the province are treated the same.

If a municipality chooses to support at levels less than 60 per cent, it must support everybody the same. They cannot pick out one fellow and say: "You are the progressive farmer, or whatever, and we will support you to the 75 per cent; but for you, who we do not know, we will keep yours down to 40 or 50 per cent."

I am not trying to suggest that did go on, but lest anybody think it could go on, we have made it a strict requirement of the program that they cannot differentiate between farmers. If they are going to support drainage work at less than the 60 per cent level, it has to be at the same level of support for the whole of the municipality; they cannot pick and choose between farmers.

The members will recall the extra funds that were allocated in the May budget. That is something else, by the way, that I should have added earlier when I was talking about the level of spending in agriculture this year. There is another \$6 million there I forgot to add for tile drainage in 1982-83, and another \$5 million-plus for farmstead improvement which also has to be added to the figures I gave earlier. I forgot all about that.

That \$6 million alone is estimated to serve a further 600 farmers, whereas the information my friend was given was to the effect that the whole program was going to help only 700. In fact, the actual average loan last year was about \$8,400. If that were followed this year, that \$6 million would cover 700 farmers. We think that extra \$6 million will cover only 600, but if last year's average almost covered it, that \$6 million itself would cover 700 farmers.

The full amount of \$36 million, in our view, is likely to help in excess of 4,000 farmers in the province, which is quite a bit different from the information the member was given.

Mr. Riddell: I thought you said \$6 million would cover 600 farmers. Where do you get the 4,000?

Hon. Mr. Timbrell: Of the full \$36 million being spent on tile drainage this year, there is \$30 million in the estimates plus the extra money, which it is estimated will help more than 4,000. As the member knows, a lot depends on weather and variability of contract. There are any number of things, but those are the estimates. It is a long way off the 700 figure the member was given, from where I do not know.

Mr. Riddell: Maybe I was using the \$6-million figure too.

Hon. Mr. Timbrell: If the member was, he did not say so.

Mr. Riddell: At least I have you thinking.

Hon. Mr. Timbrell: I intend to respond to every point. We may be here a while.

Mr. Riddell: You are doing all right. You can carry on.

Hon. Mr. Timbrell: By the way, did the member get a copy of this?

Mr. Riddell: No, I did not.

Mr. Swart: I cannot see what it is.

Hon. Mr. Timbrell: It is the paper I tabled at Regina five weeks ago. Did the member get a copy of it?

Mr. Swart: No.

Hon. Mr. Timbrell: We will get another copy for him.

Further on, dealing with the same subject, namely, tile drainage, the member said that when the loan repayments are deducted from the amount allocated for new loans the new money really is not very much. Obviously, because the repayments go into the consolidated revenue fund—they do not go into the Ministry of Agriculture and Food, they do not go into the minister's office to be kept in the safe, they go into the consolidated revenue fund; I do not have a safe, as a matter of fact—we as a ministry have to find the total amount allocated in our budget every single year.

5 p.m.

Let me read the actual figures for the last few years: In 1979-80, we lent \$30 million through the Treasury and picked up interest rate subsidies of \$3.4 million. That is because in 1979-80 we were buying eight per cent debentures from the municipality, so it would be the difference between eight per cent and whatever we were borrowing at for that \$30 million. We ended up picking up a \$3.4-million subsidy for a total expenditure by the government of \$33.4 million. In that year, there were repayments of \$10.2 million; the difference is \$23.2 million.

Last year we put out \$28.5 million in new loans and picked up \$6 million of interest subsidy for a total of \$34.5 million. We had \$14.1 million of repayments for a net difference of \$20.4 million.

The picture is not quite the same if we just compare the loans with the repayments. Last year, on a slightly smaller amount of money than in 1979-80, we had to pay almost 70 per cent

more in interest subsidies because of the much higher interest rates last year.

The reason the repayments are low but growing each year is that the loan amounts over the last 10 years have increased dramatically. As recently as 1972-73, only 10 fiscal years ago, the total amount of money available for tile drainage was \$4.7 million. This year it is \$36 million—\$30 million of it in the estimates, \$6 million as a one-time shot-in-the-arm this year from the Board of Industrial Leadership and Development. Even if we discount the BILD contribution because it is one-time, that is a significant growth; that is about a sevenfold growth in commitment in 10 years.

Because the amounts of money lent out in the earlier part of this past decade were small, the repayment figures are smaller, but they are growing. From that small start in 1972-73, by the end of this fiscal year, 1982-83, the total outstanding debentures will be \$145 million. That is a considerable amount of money which the province has supported through the purchase of these municipal debentures at very favourable interest rates. This year we increased them for the first time in several years to 10 per cent, which in today's market is still a very good deal. I did want to comment on that.

Mr. Swart: What are your returns this year?

Hon. Mr. Timbrell: I do not have those figures with me. I will get them when we come to that vote if that is all right.

The member for Huron-Middlesex went on to deal with the processed fruit and vegetable industry, where he talked about a significant decline. With respect to the figures I have seen, I think the member may have been using Canadian figures to represent Ontario's figures. Apparently the import figures he quoted for canned peaches and canned tomatoes are Canadian figures. In Ontario, our imports of canned peaches and canned tomatoes in 1978 were \$6.2 million and \$2 million respectively, not the much larger figures that he quoted a week or so ago.

We have taken a number of initiatives to expand our peach production. In 1981, also under the Board of Industrial Leadership and Development program, a new program was announced to encourage the planting of clingstone peaches and Bartlett pear trees. The last figures, as I recall, would indicate that something in the order of 36,000 peach trees and 9,000 pear trees have been planted under that program.

The whole purpose of this is to more than double Ontario's production of peaches for processing. This is occurring. In the last five years, imports of canned tomatoes have declined while our production has increased. I want to give those figures. This is strictly for canned tomatoes, comparing the percentage of our market which has been serviced from domestic production with that from imports:

Prior to 1977, 45 per cent of our requirements were met from domestic production, with 55 per cent coming from imports. By 1977, there was a dramatic change, and 62 per cent came from domestic sources, 38 per cent from imports. In 1978 there was a slight settling back, 60 per cent from domestic and 40 per cent from imports. In 1979, 63 per cent from domestic production, 37 per cent from imports. In 1980, 65 per cent from domestic sources, 35 per cent from imports.

I would remind members of a number of initiatives taken in recent months under—

Mr. McGuigan: Tariff changes.

Hon. Mr. Timbrell: I would be the first to acknowledge there are other factors, but we cannot do it all ourselves.

Mr. McGuigan: It would be nice if you did make the acknowledgement once in a while.

Hon. Mr. Timbrell: I do. You were not in the House earlier. I did give the federal minister credit, particularly with respect to the change to the legislation for the Farm Credit Corp. Now that they have the changes through, I wish they would use it to get more money into the FCC.

I would remind members of a number of initiatives taken in recent months under the BILD program. To date, grants of \$8.6 million have been approved for the storage assistance program and that money from government will result in a total new capital investment of \$26 million, the balance obviously coming from the private sector.

On new packing storage facilities, members may recall the announcements I made in recent months at Leamington with respect to the H. J. Heinz Co. and at Windsor with respect to Primo Foods Ltd. and its plant at Cottam. These initiatives are matched by support from the Vegetable Growers' Marketing Board for a special pricing mechanism for the field crop that will go into those facilities for tomato paste only, not for whole pack.

Those initiatives will lead to further displacement of imported products and a commensurate increase of acreage. If I remember

correctly, just to support those two projects alone will require something in the order of 3,200 more acres of tomatoes; 2,000 in the case of Heinz and 1,200 in the case of Primo.

I think at the time we announced a 2,000-acre requirement for Heinz there was a value attached to that of something around \$4 million per year, which would be—depending on the price of tomatoes, which could fluctuate up or down—\$4 million per year more into the pockets of Ontario growers rather than those of Spain, Portugal, Italy or wherever. It is better that it stays here.

A lot of this is going to come about in small projects. It is not going to be some grandiose thing that is going to turn the world around. It is going to come about in little bits and pieces.

5:10 p.m.

I want to mention the asparagus incentive program. It is a small thing, but we are far too heavily dependent on imported asparagus. This program is intended eventually to bring into production an additional 3,000 acres of asparagus in this province. Also, I would remind you of the strawberry program I announced in Simcoe back in April; that is really a tremendous example of what the government and private sectors can do.

We have the machinery people involved; they are developing the new mechanical harvesters. It is estimated that when they have that perfected there is a potential export market for something in the order of 300 of those machines, with a \$12-million value on them or something like that.

We have government people involved, through the Simcoe research station, in developing a new type of strawberry which has a higher crown, easier to take off; you do not take as much of the—

Mr. McGuigan: You should visit the strawberry farms and you would know.

Hon. Mr. Timbrell: Listen, I have visited a lot of farms. I hope you would not take that away from me. I have visited a lot of farms and a lot of firms in the agribusiness sector in 1982 and there is only one of me to go around.

Mr. Nixon: What about the peanut harvest?

Hon. Mr. Timbrell: Yes, I was there too. I did not see you. I was there for the peanut festival—

Mr. Nixon: The House was in session; I am paid to be here.

Hon. Mr. Timbrell: No, it was on a Saturday.

If you were here you were the only one. I was there. The member for Haldimand-Norfolk (Mr. G. I. Miller) was there. The federal member for Haldimand-Norfolk was there. The Liberal mayor of Simcoe was there. They were all there. It was a good day.

Mr. Nixon: What about the peanut harvest?

Hon. Mr. Timbrell: I will come to peanuts. I am still on strawberries. We have people working on mechanical harvesters. We have government researchers working on developing the new types of strawberries which are more adaptable to mechanical harvesting. We have another element of the private sector involved developing new processing facilities. We import—I think I mentioned the figures in my opening remarks 10 days ago—about \$6 million a year or more of strawberries.

Mr. G. I. Miller: We didn't process one Ontario berry in 1975. We are just turning it around now.

Interjections.

Hon. Mr. Timbrell: Do you think we will still be here in 10 years, Mr. Chairman? Still looking at these estimates?

I just wanted to go back and give you some of the figures under the program for clingstone peaches and Bartlett pears. These are as of November 30 this year. We have paid a total of 114 grants. This program reimburses the grower for the cost of the nursery stock as long as it was purchased from Ontario nurseries. It has to have been purchased from Ontario nurseries in order to qualify for the program.

We have paid out 114 grants which cover 46,826 trees. This is just for the clingstone peaches, and is more than what I reported a few minutes ago. Total grants paid to date are \$203,621. All of the peach grants were in southern Ontario: four in Essex, one in Kent, one in Elgin and 108 in Niagara.

For pears we have paid out 45 grants for a total of 14,908 trees. Grants totalled \$72,401. These are a little more widely distributed. Elgin got one, Haldimand-Norfolk two, Hamilton-Wentworth one, Niagara 37, Peel one, and Durham got three.

Mr. McGuigan: Is that program still developing?

Hon. Mr. Timbrell: I think this one is closed off now. I do not think it has been extended, it has been exhausted. I will check to be sure, though.

In the past two decades the number of tender fruit canning plants has declined; that is well known. However, recently expansion has been

occurring in the industry. This is a positive sign, and I would point in particular to the Juergen-Philipp plant, in Niagara Falls I believe. It is in Niagara, anyway; I think it is closer to Niagara Falls. That is a \$4.5-million fruit processing project which, if memory serves me correctly, received about an \$800,000 Board of Industrial Leadership and Development grant as an incentive to establish there.

The BILD food processing program has encouraged the processing of fruits and vegetables in the province, turning around the admitted trend of the last 20 years. To date, \$7 million in grants and loans to fruit and vegetable processors have been approved, and this has led to a total investment of \$37 million in fruit and vegetable processing, the \$30-million difference, of course, coming from the private sector.

I would remind members that the government's commitment under the BILD program to the ministry over the five-year life of the BILD program exceeds \$63 million, \$58.5 million coming from BILD and another \$5 million over the five years coming from the ministry itself. While it is not all going to fruit and vegetable processing or storage, a lot of it is. Some has gone to the expanded farmers' market at the Ontario Food Terminal, some has gone by way of support for some of the projects I mentioned earlier, but a great deal of it has gone to turn around that trend.

When the member got into the question of farm land, he indicated, and I think I acknowledged this earlier, that there are 12,274 fewer farmers than there were in 1971 and one million acres less of farm land. The figure cited showing a one-million-acre reduction in farm land is the figure for unimproved farm land, which in the main is located in areas of the province with little or no pressure of urbanization. The most significant reductions have not been in the areas of urban pressure. This loss mainly represents marginal farm land becoming idle because of present economic conditions, and much of that land will continue to be available—in fact, most of it—for production in the future as future market trends change.

The reduction in the number of farms and farmers is not new. I mentioned earlier my astonishment when I looked at some figures comparing 1956 to 1981. In 1956 there were 140,000 farmers in the province; in 1981 there were 82,000. That is a big reduction over a 25-year period. The reduction in the last decade, though, and I do not point to any one factor to indicate why this is so, has been much slower;

that trend has slowed down considerably from 25 years ago.

As I have indicated on several occasions publicly, and the member for Welland-Thorold referred to several of my speeches for comment, the most important figure is the amount of improved farm land. The same Statscan figures from which the member was quoting show that this acreage has increased from 7.8 million acres—I am rounding, of course—in 1971 to 8.9 million acres in 1981, which is fully a 14 per cent increase in 10 years in improved farm land.

People see the headline, "Farm Land Reduced a Million Acres." They do not read through all the fine print to find out what kind of farm land, where it is and whether it is productive. They do not read further to find out that the improved farm land actually went up a million acres in that period of time, in fact, over a million acres. Rather than a bleak picture, it is really quite a bit different.

5:20 p.m.

Hon. Mr. Sterling: Does that include land improved by tile drainage?

Hon. Mr. Timbrell: My colleague the member for Carleton-Grenville (Mr. Sterling) asks if that includes all the land that has been improved through tile drainage. It does. The \$145 million that will be outstanding at the end of this fiscal year for tile drainage debentures represents literally hundreds of thousands of acres of land in this province which, over the last decade, have been improved. That is land which has seen very significant increases in productivity. I am told 50, 60 or 70 per cent is not unusual in some of the more drastic cases.

Not only is that land still in production, but one has to compare its productivity from one decade to the next. The productivity has gone up as well as the figures for improved farm land in that decade.

Both members raised questions about the Foodland Guidelines, perhaps trying to infer they are not working or that perhaps they have a better idea. With respect, I have not heard it from either of them. Perhaps we can get into that later. I do not know that either party has a definitive policy as to how, if they were on this side of the chamber, they would direct land use planning by the municipalities.

In the more than 11 years I have sat here I have been amused to listen to some of the exchanges about local autonomy. When it suits some members, and I am looking more that way at this point, they will attack the government for

doing something on the grounds it is an infringement of local autonomy; on others, though, their true colours show through and they propose the central government should have some overriding authority—

Mr. Riddell: Surely the province is responsible for the preservation of agriculture land. I cannot see how you can slough it off.

Hon. Mr. Timbrell: I am not sloughing it off. The province has a significant role to play, but it is not the only role it has to play. The member knows that as well as I do. He comes from one part of the province and has worked in other areas of the province over the years, in Hastings and so forth. He knows very well, as I do coming from Frontenac county and having grown up in the Metropolitan Toronto area, that there are a great many diverse regions of this province, even within counties. The differences are quite profound from one township to another. I am thinking of my home county. Go to Portland or Pittsburgh township in the south end of our county. Compare that to Hinchinbrooke or around Sharbot Lake. It is quite different. The member would know that; he has travelled that area.

All I am saying is we see it as a shared responsibility. It is virtually impossible to write a set of words that would dictate in any clear, meaningful way, exactly how the town council in Alfred is to plan, if one presumes the councils in Mobra, Rodney, Rainy River, wherever, are going to plan in exactly the same way.

The guidelines are pretty clear. Basically, the guidelines call for the use of common sense. As I read them and as I recall them, because I was not in the ministry for the first four years they were in existence, they stand on the principle that if there is an alternative to the use of prime agricultural land which can remain productive, that alternative should be pursued, but if there is not an alternative and if the growth is there, then let the development proceed.

I have never heard the member for Welland-Thorold be very clear on it, and perhaps he will be later, but if he is saying that places like his own Niagara Peninsula or places around Toronto should never grow beyond their existing boundaries, then I would like to know if that in fact is his position.

Mr. Swart: Mr. Chairman, on a point of privilege—

Hon. Mr. Timbrell: I am sorry, I have the floor.

The Deputy Chairman: I recognize the member for Welland-Thorold on a point of privilege.

Mr. Swart: Mr. Chairman, the minister is saying that he has never known our policy. Perhaps he would like to look back at the private member's bill which I introduced in the Legislature and which I think sets it out very clearly.

Hon. Mr. Timbrell: There are private members' bills and then there are party policies. I would like to know your party's policy.

Mr. Swart: That is our party policy.

Hon. Mr. Timbrell: We can get into it later on and you can be very explicit for the record.

I have been around here longer than the member has. I can remember that back in the early 1970s this government took a lot of flak for adopting a stance to contain urban sprawl and to protect the greenbelts around these large urban centres, to contain the shape of these urban municipalities.

Mr. Swart: You have never done anything real.

Hon. Mr. Timbrell: With respect, you know that is not true. My friend has only to look at the amount of land around Metropolitan Toronto, around the large urban centres in this area, which has been frozen in perpetuity as parkway belt, as greenbelt, whatever you want to call it, to see that in fact we have taken a stand, and not without a lot of flak.

I do not recall ever hearing of you—because you were president of your party at the time—running around saying: "We support the government. They should do that. They should enforce these parkway belts." In fact, we heard a lot of opposition from other places over there.

The Deputy Chairman: I recognize the member for Etobicoke.

Mr. Philip: Mr. Chairman, on a point of order: The minister should recognize that it was the former member for York Centre—he was defeated last time—and myself, who raised the issue of the Langstaff jail farm and the fact that the government was quite prepared to see large amounts of what was agricultural and recreational property disappear under a development, until that member and I raised the issue in 1976-77 and put some pressure on the government to rethink at least that part of the greenbelt.

Hon. Mr. Timbrell: That is not what I was saying. What I was saying was that there were some members on that side of the House, not necessarily in your party, who were trying to

make much of the fact that there were many people upset that their land was going to be frozen in perpetuity as open space or as farm land. I am not talking, here, about big, bad developers. Here, I am talking about individuals who had assumed that at some point in the next 10 or 20 years that sprawl would continue and their land, too, would go for six or seven figures per acre.

We took a very bold step. As far as I know, it was the first provincial government in the country that took that kind of step. We said: "That will not be. There will be separation. There will be these parkway belts." They have been imposed by legislation. It was a very difficult process.

To be sure I recall, because I was Minister of Energy at the time, that at the same time we were all concerned about what was going to happen to the Langstaff jail farm; there was also the question of where Highway 407 was going to go and where the hydro corridor was going to go. I remember that very well.

It is great for the member for Welland-Thorold to say, "You have done nothing." With respect, you have every right in the world to make up your own mind, but you have no right to make up your own facts.

We have taken a number of steps over the years—

Mr. Swart: You didn't get the reaction you wanted from that, did you?

Hon. Mr. Timbrell: Well, your colleague got it.

Followed by the guidelines in 1978—

Mr. Grande: How many years did you teach?
5:30 p.m.

Hon. Mr. Timbrell: Three.

I said it is a partnership between the municipalities and the province. Even at this level no one ministry has exclusivity. The Ministry of Municipal Affairs and Housing has the prime responsibility through the Planning Act and the Municipal Act, but a number get involved, such as the ministries of the Environment, Transportation and Communications, Education from time to time, and ourselves, among many others.

In my brief time in the ministry we have become involved in a number of local planning matters where we have stuck by the guidelines fairly strictly and I have heard from members opposite in both parties. I will mention it here. You may recall that back in the spring there was a reapplication by the town of Halton Hills for a cemetery to be established in the northern part

of that municipality for one of the ethno-cultural communities in the greater Metropolitan Toronto area. It so happened they proposed to put a 10-acre cemetery on class one land. My staff looked at it, and they came to me and said, "There is all kinds of classified class six land within a similar radius of the Metro Toronto core that could be used. That land should not be used for a cemetery."

The advice we gave to the council was that in our view the Foodland Guidelines would preclude that development on the grounds there was an alternative. If there had not been, and if there had been a good case for a cemetery in that area, surely you would say that I should have let it go ahead, or would you not? I would be interested to know, given that kind of an example.

If there was not anything but class one land for 40 miles in any direction, would you have said to those people, "No, you cannot have your cemetery there"? We said no, because there was an alternative. There was much less desirable land available in the same region. I have received at least half a dozen letters from that side of the House, from both parties, urging me to reconsider. It is not nice to be against dead people, but in my view that was a case when we had to stand our ground.

Another example was in the riding of the member for Wentworth North (Mr. Cunningham). There was a senior citizens' project in Ancaster that was proposed for class one farm land. We took a look at the situation and on the grounds, first that there is land already designated in Ancaster for development that could be developed, and second that there are any number of sites in the immediate environs of the proposed site which are class four, five or six land, we said they should not develop that land.

As the member for Wentworth North will recall, there was a hue and cry, not saying, "Good for you, Minister of Agriculture and Food. Go on and save that fine class one farm land," but from people saying, "Why are you against senior citizens? What have you got against senior citizens' housing?" Obviously, we are not against them and we are not against housing them, but there is a case where we had to take a stand.

Mr. Cunningham: Mr. Chairman, on a point of privilege: Why would not the minister then apply those same principles to the very contentious rezoning application referred to as the Allarco development land, where the quality of the land and soil was far better, larger and more

viable as farm land? Why would not your officials conduct themselves in the same vein?

Hon. Mr. Timbrell: I would be glad to deal with that when we come to that vote. I want to deal with one that both the critics raised; that is the infamous hole in the doughnut in Mississauga. In that case—

Mr. Nixon: That is where the Premier (Mr. Davis) wants to build a new stadium.

Hon. Mr. Timbrell: I don't think so.

In the two examples I have just given the member we dealt with 10 acres and I think maybe five or 10 acres, respectively. This is very large; this is 12,000 acres of land in the middle of greater downtown Mississauga. Frankly, at the time—and it was only a year or a year and a half ago at the most that it was considered—our staff looked at it—in fact, they were subpoenaed by the local citizens' group to give evidence at the hearing—and they concluded there was no point in preventing eventual development on those lands, because farming in that area is impractical or practically impossible now. There is no infrastructure left.

Mr. Swart: Twelve-thousand acres.

Hon. Mr. Timbrell: What are you saying? Are you saying that you would not approve that at all? Are you saying that, notwithstanding the fact there is no agricultural infrastructure there to support farming, you would freeze it in perpetuity? Politically that may be popular with some people, and I can tell the member it makes it more difficult to have to say that you have to treat every single case on its own merits. I was not the minister at the time, but in that particular case, having discussed it with the staff, I can see their point that—

Interjection.

Hon. Mr. Timbrell: Excuse me. I have the floor.

Mr. Swart: You asked me a couple of questions. I am just getting up to answer.

Hon. Mr. Timbrell: No, no. You might want to think about your answers. When we get into the item that deals with this, I will be interested to know how you would deal with these cases.

Mr. Swart: I will be glad to tell you.

Hon. Mr. Timbrell: I will be all ears at the time. Right now I am something else.

The staff, as I said, at that time reviewed it extensively, and the Ontario Municipal Board concluded, as our staff did, that there was no point in preventing that development, because in the long run, maybe not that long a run,

continued farming of the site was impractical. Recognizing the growth in this area, they concluded it was a good place to continue growth of the Metropolitan Toronto area within the bounds of the parkway belts, etc., that I referred to earlier.

I mentioned earlier the involvement of all the ministries. We routinely review the planning and development documents that come in to the Ministry of Municipal Affairs and Housing for their conformity to the Foodland Guidelines. Last year alone my staff reviewed 5,362 severance applications. You know how controversial an area that is. There is by no means a consensus on that in the agricultural community; in fact, if anything the policy in the Foodland Guidelines, which is essentially one severance per 100-acre farm for farm or retirement purposes, is one they do not like very much at all

Mr. Swart: The federations are toughening their stand, and you know it.

Hon. Mr. Timbrell: Well, you go out and talk to individuals away from organized meetings. I am telling you, that policy is not necessarily very popular.

They dealt with 52 new official plans—and if you have ever looked at an official plan, you know how much work that entails—336 official plan amendments and 320 plans of subdivisions, so obviously our staff are worked very hard.

In the case of the recently submitted Brampton official plan we are in the process of formulating our comments to the Ministry of Municipal Affairs and Housing. They will obviously be within the context of the Foodland Guidelines, and we will look very hard at what is already approved in Brampton.

We will look very hard at their projections, because there are really about four or five blocks of land. There is one big chunk of 4,000 acres, but there is another 3,000 or 4,000 acres in smaller chunks all around Brampton. Some of it is proposed for estate residential, some is proposed for more typical subdivisions, some is proposed for industrial use and some is proposed for town houses and that sort of thing.

5:40 p.m.

We are looking very hard at the site. It has already been designated for development in that city. What they are projecting as growth in comparison to what the actual growth has been in the past 10 years, and whether in fact it is needed at this time, is under review.

We are not about to say to Brampton, or to any municipality which has its boundaries

defined—and Brampton's have been defined and contained, in large measure, by other planning measures such as the parkway belt—that a town like that will never be allowed to grow, that it has grown as far as it is ever going to grow.

There may be cases along the way where we will have to say that to an individual municipality, but surely the member is not proposing that we develop that as a statement of policy for every municipality; maybe he is.

I will dig out that old bill and later on the member can elaborate on it and tell me what his policy is, because I can tell him that it is not very clear to me and I can recall being here for that bill. I would like him to deal with a couple of specific examples and tell me, if he were standing here, what his policy would be. That would be very instructive, and perhaps the official opposition would like to do the same.

Mr. Riddell: The Brampton issue will put the minister's guidelines to the test, as well as his commitment to agricultural land in this province.

Hon. Mr. Timbrell: Oh, yes. As long as the member will acknowledge what I have told him about the growth and improved farm land, the growth and productivity of the land and all we are doing there, I will put the same questions to the member when we get to it as to whether he is proposing there be an absolute, total freeze. I have to say to him, as politically sexy as he may think that is, it will not work, it is not common sense.

Common sense says my first priority is to save all the prime farm land I can. The second tenet is that there will be cases where there is no alternative so I will have to let it go, as long as we are doing everything possible at the same time to improve the productivity of as much of the land as we can.

Mr. Riddell: Always bear in mind Malcolm's Malvern theory; you are going to need this land some time.

Hon. Mr. Timbrell: Whose? Oh, indeed. But I ask the member to be specific. Let me take those examples such as the cemetery or the senior citizens' project. If there were no alternative for miles around, would the member still have denied them? I would not have, but because there were alternatives I turned them both down and told my staff to stand their ground in spite of letters from both parties over there.

On the question of aggregates, there are a number of things. My colleague the Minister of

Natural Resources (Mr. Pope) has been a busy boy. He has papers out dealing with wetlands; he has papers out dealing with aggregates; he has papers out dealing with mining and with forest resources. The documents stand about a foot and a half high. I think he and his staff should be given credit for bringing the planning role of the Ministry of Natural Resources into the 20th century and trying to inventory all that we have of natural resources.

I want to remind the members that we are doing an inventory of our own, in the Ministry of Agriculture and Food, of all the productive farm land in the province and all the drainage in the province. It was begun in the summer of 1982. It is a joint project that is being funded on a 50-50 basis with the federal government. We are using money from the Unemployment Insurance Commission under section 38 of the federal government's act, which allows it to enter joint venture projects like that rather than paying full benefits to mainly unemployed people. We have taken people off the unemployment rolls to do this.

We are well aware of what the people in Natural Resources are doing. The minister and I have had several meetings already, specifically to talk about aggregate policy to be sure their policy or guidelines do not constitute an infringement on the Foodland Guidelines, because it does not have and will not have primacy over food land.

In other areas, the member for Huron-Middlesex raised an issue last week that, after the fact, he may well wish he had not.

Mr. Riddell: The Mariposa? Not on your life.

Hon. Mr. Timbrell: Yes, about the draining in Mariposa township. That case clearly illustrates the need for the two ministries to get together under one procedure, and I think it should be under the Drainage Act to ensure that if there are any concerns that fall under the ambit of another minister, in this case the Minister of Natural Resources, they be dealt with within that process.

They were maybe six years down the road under the Drainage Act when all of a sudden, out of left field, came an objection under a piece of legislation that comes under the Ministry of Natural Resources. That clearly illustrates that we have to change the processes. I suggested we should do it under the Drainage Act and his staff and mine are working together to try to do that.

Mr. Riddell: Since you mentioned it, what is

the purpose of the drainage inventory you are taking?

Hon. Mr. Timbrell: Because there has never been an accurate record kept of where it all is and when it was installed.

Mr. Riddell: How are you going to use it?

Hon. Mr. Timbrell: Planning for the future through our—

Mr. Riddell: Whether to make more money available for tile drainage or whether you think you have got enough done?

Hon. Mr. Timbrell: I have already pointed out that in 1972-73 we had \$4.7 million for tile drainage. In 1982, only 10 years later, we have \$36 million. The commitment has grown substantially. That is without even getting into the figures for the municipal drains and their maintenance.

The Minister of Natural Resources has a responsibility which he is trying to exercise in the best way he can. I have a responsibility with respect to the preservation of farm land which I am going to exercise in the best way I can. It is not a case of one superseding the other. I think the Foodland Guidelines are very clear. Under the terms of the revised Planning Act, we will now have to reissue them as a—

Mr. Swart: There is no requirement under the Planning Act to issue any policy statements. That is why we voted against it and will.

Hon. Mr. Timbrell: I am told we will be required to issue an updated policy statement. In the process—

Mr. Swart: If you do it voluntarily there is nothing in the Planning Act that says you must.

Hon. Mr. Timbrell: I am saying that we are beginning the process.

Mr. Swart: I have the Planning Act here.

Hon. Mr. Timbrell: My understanding is that we are.

Mr. Swart: Will you show it to me?

Hon. Mr. Timbrell: Whether we are or not, we are working on an update five years after their introduction.

There are many other areas where ministries have to work together. Energy is an obvious example with the planning of hydro corridors, pipeline corridors, transformer stations and the like. Environment is yet another. When we look at matters like the use of herbicides and pesticides, the Ministry of the Environment is deeply involved. We cannot tell it to butt out, it has a responsibility. We have to work to ensure our

policies are compatible. It eventually all comes under the same umbrella of the Planning Act and the Municipal Act.

5:50 p.m.

Later on, the member referred to comments of almost two years ago about the development of lands in eastern and northern Ontario under the Board of Industrial Leadership and Development program. It might be instructive to go back to the BILD book that was issued in January 1981. It was pretty clear that in talking about the development of such lands we were talking well past the year 2000. We were not talking about a time frame of two, three or four years.

Notwithstanding that, I think it is worth while talking a bit, in the last 10 minutes before the dinner hour, about some of the things that have already been done or begun and deal very directly with eastern and northern Ontario with regard to drainage, improvement of the productivity of certain lands or the bringing into production of some other lands.

First of all, there is the South Nation River basin study—something in which I know the member for Carleton-Grenville (Mr. Sterling) is very interested, and I think one or two members opposite may be as well—that affects more than two million acres, of which 500,000 acres are currently in agricultural production.

That study has been conducted to determine action needed to improve drainage in the area. Funding for it has been set aside in the eastern Ontario subsidiary agreement, which was made with the last federal government, not the present one, and under which I have been urging the federal government to direct more money to eastern Ontario for municipal drains.

Essentially, what that agreement allows us to do—the member for Stormont-Dundas-Glengarry (Mr. Villeneuve) is very much involved in this with a variety of townships—is to increase the government share of approved municipal drainage projects from one third to two thirds, the other third coming from the federal government.

While the amount of money available has been committed, there are a great many projects that we would agree are worth while and should be carried out. Eventually they will get one-third provincial support, but we think they should have the additional support of the federal government and we hope the feds will see their way clear to increase that allocation.

If I remember correctly, the subsidiary agreement is to run until 1984. It was a five-year agreement signed with the Clark government,

and here we are in 1982 and the money for the drains is all committed.

The channelization of the South Nation River affects 260,000 acres of agricultural land. The channel is being increased in size to permit better drainage during the high flow period. I think that, again, is funded through the eastern Ontario subsidiary agreement. Under that agreement, the 178 drains approved will drain 163,000 acres of farm land.

The outlet drains are constructed in response to petitions from local farmers, where they have been approved by their local council and the outlet drains are required to provide outlet for drainage tile installed on those farms. As I mentioned, they are funded one third, one third and one third—province, federal government and the local people.

Under the Tile Draining Act, which we have discussed at some length today, we have low-interest debentures provided to farmers for tile installations on their farms. This year, since I have become minister, we have given priority to eastern and northern Ontario. Historically, eastern Ontario received, just as an example, about 10 to 15 per cent of the tile drainage budget. As a result of this recent policy change of giving priority to the east and the north, this year I am devoting between 18 per cent and 20 per cent of the budget to eastern Ontario.

Then there is the agricultural resource inventory, which will cover 900,000 acres of agricultural land in eastern Ontario. That will provide us with an up-to-date inventory on the tile drainage that has been installed. It will assist us in planning future land development activities in the east.

In the north, it is worth while noting that land development is being carried on through the northern Ontario rural development agreement. Outlet drains are being built under the Drainage Act as well as on-farm drains under the Tile Drainage Act. A great deal has already been done, and I suspect that over the longer haul we will see the goal that was described two years ago in the BILD document realized.

I was up north a number of times this last summer and fall. I was very impressed with the people I met and the farms I saw. There are some very fine farm operations up there. I may have told members some time ago that this year the Quaker Oats Co. had a major program to increase their purchases of rolling oats from Ontario. I think they originally set their goal at 1.2 million bushels, and they tell me it was so successful they will probably get about two

million bushels of their needs from Ontario this year. More than that, I am pleased to hear the best oats they bought in terms of quality and yield were from Timiskaming, which I think is a very encouraging thing to hear when we look at the potential for northern Ontario.

I would like to remind everybody that the northern part of this province is on the same latitude as the great breadbasket of Saskatchewan and the great productive beef and dairy areas of Manitoba and Alberta. When one considers the changes that the federal government is considering making to the Crowsnest Pass rates, that alone will add some stimulus to certain potential developments in northern Ontario.

We are not going to use a scattergun approach. We are going to zero in on individual opportunities in the north. In our planning of the New Liskeard College of Agricultural Technology we have been very careful in the buildings that we have approved to date. I have opened a couple of them this year and approved a couple more to go ahead. They are aimed at serving the needs of northeastern Ontario.

Members may have heard that we are looking at a proposal to take to the BILD committee of cabinet on the development of an elite seed potato facility in northeastern Ontario, and from that to spawn the development of a seed

potato industry in northeastern Ontario. We zeroed in on a specific possibility, worked and reworked it to the point where we are convinced in our own minds that it can be viable and could work to the benefit of northeastern Ontario and the province. It has everything going for it. It has the soil in the clay belt. It has a climate that makes it virtually germ-free, as compared to even southern Ontario. That is a specific instance.

The northern Ontario rural development agreement, another five-year agreement with the federal government, is for \$4.7 million. Some 700 farmers to date have shared in this program, including \$300,000 for land clearing and tile drainage. This is over and above the tile drainage allocation. A further \$1 million has gone in there under that.

The veterinary assistance program provides grants to veterinarians in designated areas of the north. We have given assistance on both the purchase and transportation costs for eligible breeding stock. This is also available in the north. We have other programs of a provincial nature under which they qualify for the farm tax reduction program, tile drainage, the farm industry assistance program and many others I have mentioned in my opening statement.

The House recessed at 6 p.m.

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McMurtry, Hon. R. R., Attorney General (Eglinton PC)
Miller, Hon. F. S., Treasurer of Ontario and Minister of Economics (Muskoka PC)
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Ramsay, Hon. R. H., Minister of Labour (Sault Ste. Marie PC)
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Swart, M. L. (Welland-Thorold NDP)
Timbrell, Hon. D. R., Minister of Agriculture and Food (Don Mills PC)
Turner, Hon. J. M., Speaker (Peterborough PC)



Ontario, LEGISLATIVE ASSEMBLY

No. 164

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Official Report (Hansard)



Second Session, Thirty-Second Parliament

Monday, December 6, 1982

Evening Sitting

Speaker: Honourable John M. Turner

Clerk: Roderick Lewis, QC

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LEGISLATURE OF ONTARIO

Monday, December 6, 1982

The House resumed at 8 p.m.
House in committee of supply.

ESTIMATES, MINISTRY OF AGRICULTURE AND FOOD (continued)

Mr. Chairman: We are continuing in committee of supply with the Ministry of Agriculture and Food. If memory serves me correctly, the honourable minister was speaking.

Hon. Mr. Timbrell: Mr. Chairman, when we rose at six o'clock I had begun to respond to some of the issues raised by the members opposite in the course of the opening statements. I think it was the member for Welland-Thorold (Mr. Swart) who raised the question of the responsibility of the ministry beyond the farm gate. Clearly, we do see that the ministry has a role there: one need only look at the programs of the ministry with respect to grading and quality and with respect to the participation of the retailers in various promotional programs.

The honourable members will know that from time to time there are a number of promotional efforts, usually sponsored by the marketing organizations of the producers, and we have quite a substantial effort, in fact, through our Foodland Ontario budget where we cost share these promotions. Sometimes it will be with the apple marketing commission to promote Ontario macs or Ontario delicious apples; another time it will be with the vegetable growers' marketing board, the tender fruit producers' marketing board, whatever—a number of these.

So we do get involved in all aspects, and, of course, through the Board of Industrial Leadership and Development program we have become even more involved in processing and storage and in trying to identify the areas within the total agribusiness sector where improvements are needed in our competitive position.

Now the member for Riverdale (Mr. Renwick) is going to try to sell the Chairman of the committee of the whole House a calendar in support of a very worthy cause. No, he is not going to do that. He is going to go to the member for Stormont, Dundas and Glengarry (Mr. Villeneuve) so that he meets his quota. You

have been saved. Get your buck out anyway.

At any rate, we have attempted in the reorganization of the ministry to order our priorities in such a way that we can better support the efforts of the various elements of the private sector with whom we relate, and I am going all the way from our rural organizations and services branch, which deals with the 4-H clubs, the junior farmers' associations, the women's institutes, the soil and crop improvement associations and various producer organizations at the local level, to the new food processing branch—through which most, if not all, of our efforts to date under the BILD program have been directed—to the educational institutions that come under our ministry.

I would say to the member we do see a role for ourselves and we try to do it in such a way that we support the efforts of and build on the strengths of the private sector, all the way from the individual producer right through to the retailers.

In his remarks, the member touched on matters of concern to him that have to do with trade practices. While I would have certain views on that as a member of the cabinet, we do not have a responsibility in law for trade practices. I think that has been borne out by any number of investigations, including the one to which he referred.

We rely strongly on the federal government through the combines investigation branch and the various other branches and departments of the Department of Consumer and Corporate Affairs of Canada to ensure that anything untoward in trade practices is not only investigated but is corrected.

We have strong ties to all elements of the agribusiness sector as far as the promotion of good farm practices, good management practices, research into new horticultural varieties, new breeding work and that sort of thing are concerned, all the way through to the processors and the retailers. I will not go into all of the many organizations we deal with.

The member expressed concern for the share of market enjoyed by the independents. It is rather interesting to look at some of the figures for the chains and the independents. My staff

got me some figures from the Maclean-Hunter Research Bureau which are interesting. This covers the period from 1979 through to 1982. It confirms that the retail chains do have a sizeable chunk of the market, but it has started to slip a bit.

It would indicate that across Canada the share of market enjoyed by the chains has slipped from 60.4 per cent in 1979 to 59.1 per cent as an estimate for this current year. The independents in turn have enjoyed an increase from 39.6 per cent to 40.9 per cent.

The share in Ontario tends to be higher. As to whether that is because of the concentration of the population of this province in urban centres, I suspect that has a lot to do with it compared to many other provinces. I know in my own constituency, thinking back over the last 11 years since I was first nominated to represent my party, the number of small independents has not grown. I know there have been a few which have gone out of business but in some cases have been recycled through other hands. I think that may be a function of the Ontario market compared to the overall Canadian market.

Mr. Swart: What is the percentage?

Hon. Mr. Timbrell: I do not have the 1982 figures, but the 1981 figures would indicate about 31 per cent is the revised estimate in market share for the small independents as opposed to 40.7 per cent in Canada. It is lower.

8:10 p.m.

As the member knows, from time to time various proposals are made as to how we could support the small independents. There was one proposal made to me recently, and I do not mention it here to say it is necessarily going to be acted on right away, but it is one that has been made and we have been discussing it with the Ontario Grape Growers' Marketing Board and the Canadian Wine Institute. Both have suggested—and I am sure they have made representations to the members as well—that we should institute a policy whereby domestic wine would be sold in the independent groceries of the province.

The suggestion is that it would do two things: maintain or increase the share of the wine market for our domestic products and at the same time support the small retailers. Whether either of those is a likely outcome is what we have to review within the context of our overall policy on liquor, wine and spirits.

Philosophically, I certainly support any reasonable course that would support the small independents as an alternative to the large

chains, but I think inevitably the population is still going to shop by price. If my wife is anyone by whom to judge the market, and I think she is very typical of grocery buyers province-wide, whether they are in urban or rural Ontario, she shops price. We are never going to escape that. The members opposite as much as the members on this side want to be sure that the trade practices or combines laws of the country are not being flouted.

Mr. Swart: Supermarkets now own dairies which refuse to sell to others.

Hon. Mr. Timbrell: We cannot escape the fact, though, that in the last two decades the cost of food in this province and this country, as a share of disposable income, has dropped significantly. I am trying to remember my figures. In 1960, if I recall correctly, it took about 21 per cent of disposable income on average to buy food. Now it is around 17.5 per cent. The fact is we have the second-lowest prices in the world.

Now that I think of it, I want to take issue with the member for Huron-Middlesex (Mr. Riddell). In a recent speech to the Lambton Federation of Agriculture, he included in his remarks something to the effect that since the government of Ontario supports a cheap food policy, it should do X, Y and Z. There is no such thing as a cheap food policy. I heard that for years before coming to this portfolio. I cannot find a cheap food policy anywhere in the files or the annals of the ministry.

If anything, we believe very strongly that we have to find ways to improve the return to the producer for his or her efforts. That is why we are so strongly supporting the development of this improved national stabilization program.

Beyond the farm gate, it gets into several other sectors over which the producer does not have control and which, to a great extent, comes under combines legislation and other pieces of legislation that pertain to competition in the marketplace. I just want to say to the member, as I think I have said to him before, privately or publicly, I cannot find that cheap food policy. It does not exist in Ottawa either. If he knows where it has been written in stone somewhere, please show me because it is certainly not the policy of this government to support lower food prices at the expense of the producer.

There is no question that ours is very competitive marketplace. As I said, there is no question we have to find ways to support the producers to ensure a more predictable or more adequate return at the farm gate.

Hon. Mr. Eaton: I see free enterprise is at work over there.

Hon. Mr. Timbrell: That is the free enterprise member for Riverdale. He is very keen. Would you guys just buy one each.

It is worth mentioning that the federal government has been trying for some time to develop new competition legislation. I think there is general agreement that there is need for that.

Mr. Swart: But the former Minister of Consumer and Commercial Relations opposed it publicly time and time again.

Hon. Mr. Timbrell: It is stalled. There are various parts of it, yes, but the efforts have stalled.

Mr. Swart: But you helped stall them.

Hon. Mr. Timbrell: Just hold on and listen. If they thought they had found a formula that met their requirements and served the public interest they would have put it through by now. Obviously they have not been able, even after all their efforts, to arrive at something they can sell.

The member was saying, in effect, that the Minister of Agriculture and Food was not regulating the retail sector. No, we do not regulate them; they do not come under us. But we are involved. He was saying we were not involved beyond the farm gate. We are very involved beyond the farm gate in the areas for which we are responsible; that is, to promote Ontario agricultural products, to promote replacement of imports, to promote improvements in the food processing and storage sectors. We are very involved in all of these things.

The member for Huron-Middlesex referred to some remarks by my deputy minister, Mr. Allan, who is with us. I think I rose on a point of order and privilege, or both, at the time. I can only take the member's remarks to suggest that he interpreted that my deputy minister was attacking marketing boards per se. Such is not and was not the case.

As a province, we have supported for years the right of producers to choose freely to establish marketing boards. We have five supply management marketing boards in place now that oversee about a third of the agricultural output of this province. He was not—nor was I when I spoke to the Dufferin County Federation of Agriculture at Grand Valley about five or six weeks ago—attacking the principle of marketing boards. In fact, I think we both went out of our way in the course of our remarks to say we support them.

However, having said that, we do have a

significant issue to take up with the poultry agencies of Canada. That relates to the issue of overbase quota. I want to give the member some of the figures, starting with the Canadian Egg Marketing Agency, because he quoted something from the general manager of that agency, Mr. Brassard, as the definitive rebuttal of something I had said or the deputy had said or both. I do not know.

Ontario today has the right to produce 38.16 per cent of the nation's supply of eggs while we have 35.65 per cent of the nation's population. Therefore, we are a slight net exporter of eggs. We produce 38.1 per cent and consume 37.9 per cent. That 0.2 difference is export.

8:20 p.m.

Mr. Brassard—and the member apparently bought this argument—implied from this that Ontario is getting its fair share of quota. In fact, we are disputing the distribution of overbase quota and not disputing the current allocation of base quota. We are not trying to take the Canadian Egg Marketing Agency or the chicken agency or turkey agency back to first principles and say, "Look, you had better redraw the whole thing."

We agreed years ago to certain shares of the market and we are not trying to break our word. We are not trying to undo what was done, in some cases, a decade ago. What we are disputing is the formulae which these three national agencies are proposing to use to allocate overbase quota, quota to meet growth in demand as a function of either greater consumer preference for the product or growth in population or both.

Looking at CEMA, it has been proposed that the four western provinces will get 59 per cent of future quota increases, while Ontario and Quebec between them would share 34 per cent. That is what we are disputing. It is for that reason we have asked the federal minister to convene a meeting of the signatories, in this case to the egg plan.

I ask the member to stop and think about it: Quebec and Ontario to get 34 per cent of overbase quota for eggs and the western provinces 59 per cent. That is totally out of sync with the distribution of population; it is totally out of sync with the distribution of consumption and it is certainly out of sync with the comparative advantage which Ontario has.

I want to remind the member that in the formulation of all these plans, comparative advantage is stated as the criterion which the national agencies are to follow in the allocation of quota. In the case of chickens, eggs and

turkeys, we are the most efficient and cost-effective producers of all three commodities in this country. We simply say that what they are proposing is not good enough.

I and my deputy and other senior officials met about six weeks ago, or even longer, with representatives of the three boards—some people call them the feather boards, some call them the poultry boards; the egg, turkey and chicken boards—and urged them to do everything possible to make sure that at the national meetings of their agencies these proposed 1983 allocations did not go ahead as far as overbase quotas are concerned, because they are not fair.

I understand that the federal minister has referred the matter to the National Farm Products Marketing Council, chaired by the lady from Winnipeg whose name escapes me. They will soon be reporting back to him, I hope favourably, to say, "Yes, there should be a meeting of the signatories to try to straighten this out."

I want to assure the member in the simplest way I can that my deputy minister was not and is not attacking the marketing boards. He is not attacking the philosophy on which they are based. He is certainly attacking, as he should—and I am attacking where it is appropriate—the ways in which these three boards are proposing to allocate overbase quota to our producers. It is not fair, it is not equitable and it is not good enough; we will do everything possible to support our producers in getting a fairer deal on overbase quota.

We are not proposing to destroy these national plans. It is unfortunate, for instance, with regard to the milk plan, I do not know whether the members are aware of this, that British Columbia has served notice that it is withdrawing from the national milk plan. I think that is very unfortunate. There is a whole different history as to how that has arisen, but I am told it may very well proceed to withdraw from the national plan, as Alberta did years ago from the chicken plan. It makes the proper functioning of a national agency very difficult. We are not trying to destroy them, we are just trying to get a fair and equitable treatment for our producers on the question of overbase quota.

The member, later in his remarks, got into the question of the farm tax rebate program. I want to reiterate that the figures used to determine qualification for this benefit are gross production figures. They are not net. They are not the net income to the producer. They are the gross figures for the farm. They are in my view, and

generally speaking in the view of most producers, reasonable.

I was pleased to hear the comments of the president of the Ontario Federation of Agriculture on the CFRB program, *This Business of Farming*, on the Sunday after the federation convention. They are obviously very pleased that we had settled that issue and, pursuant to their request of last July, revived it and introduced it for implementation in 1984.

There is no question that no matter what level one chooses there has to be a cutoff. Some are going to be below it while the majority will be above it. The \$12,000 gross production figure, though, starting in 1984 for southern Ontario, is in my view a very fair and equitable sawoff. I may say too that we have been careful in drawing the lines. In 1982-83, the gross production figure for the whole of the province was \$8,000. In 1984, it stays at \$8,000 for eastern and northern Ontario and rises to \$12,000 for southern Ontario.

We have drawn the line, basically through taking account of geography and factors noted in the original Treasury document about the size and style of operation in eastern and northern Ontario, so that the line will be drawn between the region of Durham and the counties of Northumberland, Peterborough, Victoria-Haliburton then swinging up and including Muskoka in the north.

Mr. Swart: There is always a fine line, but you've drawn a time line in the wrong place.

Hon. Mr. Timbrell: I will come to that. The amount of money which is going out under the program continues to grow this year over last, next year over this, and certainly in 1984 it is estimated that our expenditures under the program will be \$85 million compared to our estimated expenditures in this current fiscal year of \$63 million. That is a very significant increase. It is better than one third.

Mr. Swart: Above this year and next year?

Hon. Mr. Timbrell: This year it is estimated at \$63 million.

The Acting Chairman (Mr. Piché): Never mind the interjections.

Hon. Mr. Timbrell: Yes, Mr. Chairman. The member for Huron-Middlesex raised a concern about the matter of the distribution of milk and the licensing of independent distributors for the trucking of milk. This is an issue which will soon celebrate its 50th anniversary. Apparently the 1934 Milk Act introduced the concept of distri-

bution areas and the licensing of distributors within those areas.

For the edification of the House, basically we are talking about several different kinds of licences. There are the processor-distributors, which would be those dairies that process and distribute; there are the licensed distributors, which would be companies that make arrangements with the larger dairies like Silverwood, Beatrice, or one of those to buy their product and distribute it in their vehicles in certain areas; and then there are the unlicensed distributors, the agent distributors, who are the concern of the honourable member opposite and a number of other people.

8:30 p.m.

The act has essentially remained unchanged since 1967. One hears from time to time that there are quite a large number of these agent distributors, or unlicensed distributors, around the province. When I spoke to the annual meeting of the Ontario Dairy Council last week I told them that I have this matter under review. I also told them that as a matter of principle or philosophy, whatever, I do not believe in regulation for the sake of regulation; I do not believe in more regulation for the sake of more regulation; if anything, I believe in less regulation in trying to straighten out the relationship of government to various elements of the private sector. I indicated to them that I do have the matter under review.

Essentially our options are fairly clear. We can do nothing, that is not move to license these agent distributors; and depending on whom you talk to, they will tell you that there are several hundred or 300 of them in various parts of the province. Do not forget that all of the major dairies, I am told, have distribution rights to all of the distribution areas in southern Ontario. There are, as I recall, 10 distribution areas in the province, nine in southern Ontario, and all the major dairies have rights in all nine of them.

Our second option would be to move immediately to license them and to limit further competition in those areas.

A third option, if you go to the other extreme, would be to do away with the distribution areas altogether. Frankly, I am taking a fairly open-minded approach in looking at the question, and I am asking my staff to approach it with one basic question in mind: Is the public interest served through the continued existence of these distribution areas and the continued licensing of any milk distributor? If it is, fine; then there is the option. If it is not, it opens up other options.

So I expect early in the new year, after having completed our internal review and after having discussed the matter with my caucus and my cabinet colleagues, to indicate what, if anything, we will be doing on that.

Later on Friday, I believe, the member for Welland-Thorold got into the question of bankruptcies, whether they are increasing and whether or not the majority of those who are going out of business are younger farmers. I do not know if he was in the House earlier in the day. I was telling the members of the committee that figures from surveys we have done on real estate transfers in recent years, 1979 and 1980, indicate that in the typical year about six per cent of the farms in the province change hands. That does not seem to be an inordinate number given retirement or changes in lifestyle.

In a normal year we would expect close to 5,000 farms to change hands, of which about 1,500 per year are new farmers. In some cases those would be father to son, father to daughter, or parents to children transfers. In others, they would be buying out the assets of unrelated farmers who want to retire for whatever reason. It has been reliably estimated by my staff there are about 1,500 new farmers on the scene each year in Ontario.

Looking at our farm adjustment assistance program we have surveyed those applications we have approved to date and 80 per cent of the more than 3,000 cases to date are under the age of 45. Looking at all of Ontario farms, the last census revealed that 41 per cent of our farmers are under age 45. I do not think that disparity should surprise us. We have noted all along that the farm adjustment assistance program would be of particular assistance to recent entrants who have had to deal with the high interest rates prevalent in the country in recent years.

Mr. Swart: What about bankruptcies? Have you done a survey of the bankruptcies to determine the average age of those farmers?

Hon. Mr. Timbrell: No, there is no such registry where we could do that. I just wanted to point out to you that while there have been 145 bankruptcies to the end of October in Ontario, if this year is typical of recent years there will be about 5,000 farms change hands and about 1,500 will represent new farmers.

Mr. Swart: That is a different issue entirely.

Hon. Mr. Timbrell: With respect, that is a related issue.

Mr. Swart: Related, but certainly a different one.

Hon. Mr. Timbrell: It is a very strongly related issue. I know from—

Mr. Cassidy: For every bankrupt farmer there are 10 who get out because they can't afford to stay in.

Hon. Mr. Timbrell: You do not know that. You do not know from nothing when it comes to this. We have been having a very intelligent conversation about agriculture and—

Mr. McClellan: It is a monologue.

Mr. Cassidy: It has been a monologue. It is altogether too calm. There is a crisis over there. I don't notice any reaction on your part. Look at the crisis over there.

Mr. Swart: Don't say there are not 10 going out of business. Look at what the Ontario Federation of Agriculture says. It says there are 10 to 20 for every one that goes bankrupt.

Hon. Mr. Timbrell: No one is suggesting for a moment that there are not people who are going out of business.

Obviously the honourable member does not want in any way to give any credit where credit is due for the efforts of the ministry to support those who can remain viable with assistance under that program.

That is fine; that is his job as a member of the opposition to dismiss whatever the government does, no matter how good it is, as being irrelevant to him.

Mr. Swart: That verifies my concerns.

Hon. Mr. Timbrell: No, it certainly does not verify it at all. We have 1,500 new farmers each year in Ontario. It is true that no surveys have been done of the 145 to date this year who have gone into bankruptcy—

Mr. Swart: But 80 per cent of those you have had to fund to stay there.

Hon. Mr. Timbrell: That was a very strong reason for starting this program. We recognized that those who have started into farming in the last five years, with inflated land values, higher interest rates and a number of things against them, as compared to people who have been in farming for 20 or 25 years, are going to have difficulty.

I recognize that you are not about to give any credit for that but those are the facts. That is why we started this. If you talk to them you will find that they realize the benefit of the program.

Mr. Swart: It is not enough, it is a drop in the bucket.

Hon. Mr. Timbrell: I would be glad to listen to some specifics about how you would bring

farmers more and more under the heel of the New Democratic Party government as you have done out west, which led to the defeat of two NDP governments in the last five years out there. It might well be time to tell that story again about M. J. Coldwell, but I will save that for later.

8:40 p.m.

Mr. Wildman: What happened to Sterling Lyon out there?

Hon. Mr. Timbrell: It was not over farm issues, if you look at the vote in the rural areas.

Mr. Swart: Just over his overall program.

Hon. Mr. Timbrell: It was not over farm issues. Look at the rural areas.

Mr. Swart: General incompetency is the word.

Mr. McClellan: You are interrupting Dennis's conversation with himself.

Hon. Mr. Timbrell: Well, I think people who are interested in agriculture are listening. You may just be filling your seat tonight; I do not know. But those who are interested are listening.

Mr. Cassidy: I think a lot of farmers would be appalled by your complacency, this mild tone of everything for the best in this best of all possible worlds.

The Acting Chairman: Order, please. Order.

Mr. Cassidy: That's what he is saying, Mr. Chairman.

Hon. Mr. Timbrell: Mr. Chairman, I remember very well when I sat on that side of the House years ago, as a back-bencher in the back row of the rump, listening to mighty Casey from Ottawa constantly striking out; things really have not changed.

There are a number of details, financial matters, which the member turned to with respect to comparing net real incomes from one province to another. He cited the July crop and livestock report to the effect that Ontario net farm income will drop to \$655 million, claiming the dip is greater than in any other province. I am not for a moment happy about the decline, but the fact is that in relative terms it compares reasonably well with the rest of the country.

Earlier in the day I mentioned that the estimates that have recently been released for the United States were something on the order of a 25 per cent overall decline. Canada is around 17 per cent overall. It serves to highlight again the need for an improved stabilization in the country.

Mr. Swart: On a point of order, Mr. Chairman: I would like to correct the minister. I did not compare it with the fall in income of other provinces. Perhaps you had better check Hansard. I related it only to the interest on the indebtedness being paid by the farmers of this province. I pointed out that this year they will pay more interest than they will have net income.

Hon. Mr. Timbrell: With respect, I was going to come to that. I think that was a different point. We will both check, I guess. I thought you had in fact compared it with other provinces, such as Prince Edward Island, where net income is down 40 per cent; Saskatchewan, where it is down 36 per cent; or Manitoba, where it is down 24 per cent.

Mr. Swart: The only thing I compared to other provinces was the paucity of your assistance to agriculture.

Hon. Mr. Timbrell: Well, that does not include any of the programs the government has to assist agriculture, whether it is the farm tax rebate program or the farm assistance program or whatever, that is not included. If you inject those figures, it would change the picture considerably.

Mr. Philip: I hope the Chairman recognizes that the minister has spoken for two hours and hasn't mentioned STOL once.

Hon. Mr. Timbrell: Hasn't mentioned what?

Mr. Philip: STOL.

Hon. Mr. Timbrell: STOL?

Mr. Philip: STOL aircraft for René Pichés riding.

Hon. Mr. Timbrell: Oh, sorry.

Mr. Wildman: The Chairman is most interested.

Hon. Mr. Timbrell: Yes. Earlier on I think we dealt with the matter of long-term credit and the involvement by the Farm Credit Corp. in the various provinces. I think we have discussed that several times. There is no question, as we mentioned earlier, that over the course of the 1970s we saw the share of the long-term credit field carried by the Farm Credit Corp. diminish significantly from about 75 per cent to 25 per cent. The federal minister is trying to turn that around. We certainly encourage him in his efforts to go to the market and to obtain more funds for the Farm Credit Corp. through the new legislation he introduced in the spring of this year.

I think we covered the other issues in the main earlier this afternoon. I mentioned the increase in farm tax reduction. Most of these

items only serve to highlight the need for the improved stabilization policies we have talked about so many times and which are strongly supported by the producer organizations.

I noted at the recent annual meeting of the federation that the president made very plain where the federation stands and where he stands in support of the policy we are pursuing and are attempting to develop with the federal government and the national producer organizations.

I want to emphasize, as I did earlier in the day in answer to an interjection by the member for Welland-Thorold, that the intent of this program is that it be of a nonincentive nature, that it not encourage overproduction or unnecessary production, because that would just guarantee further headaches or further disasters, and that it be of a voluntary nature. We are not trying to impose this. I have heard from some producers around the province who say, "We do not want anything to do with your stabilization programs."

It amazes me to hear, as I have heard, some producers say, "We do not want anything to do with your crop insurance program." Even given what happened this year with tobacco in southwestern Ontario, there are still some producers who, as a matter of principle, will have nothing to do with any program in which the government is involved in any way, shape or form. That is their choice. We would not want to force them into this stabilization program we are proposing. It will be entirely voluntary.

As I look through later issues raised by the honourable member, there are a number of things we can get into in the votes and items, but I would like to take a minute to deal with the question of imports and exports.

We would agree that one of our top priorities has to be to improve our share of our own domestic market as a more solid base on which to build. At the same time, however, I am sure the member would recognize there are not only significant opportunities for sales abroad but, if anything, as I have tried to indicate in several speeches I have made in recent months, as one of only four countries in the world which is in a position not only to feed itself but to generate surpluses, we have a responsibility to the rest of the world as well. That responsibility is literally growing daily with the number of people who are starving on this planet.

We think we have made some significant inroads. That is not to say there is not a lot more to be done because there is in the area of import

displacement. A number of the projects I have announced this year are aimed at displacing imports: the tomato paste projects at Heinz and Primo, the strawberry projects, the asparagus projects, any number of things like that.

8:50 p.m.

At the same time we also have been able to increase our exports. This year to date we have noticed our imports are down about five per cent. Some of that is due to the continuing success of the Foodland Ontario program promoting domestic products. Some of it undoubtedly is due to currency changes and various other things, but I think the Foodland Ontario program is something we have to update continually. We are taking a look at that to make sure it is current, relevant, attractive and that it does get the message home to the consuming public there is benefit to themselves as well as to our domestic producers and processors in consuming Ontario products as opposed to importing.

At the same time we are trying to find more export markets. While our imports are down five per cent this year, to date our exports are up five per cent. While in 1981 we finished the year with a trade deficit of about \$900 million in food, this year it will be down to about \$700 million. This is still not satisfactory but it is going in the right direction.

In the reorganization of the ministry we have tried to give added emphasis to the marketing area through staff and money reordered from other parts of the ministry.

The member wanted me to deal with the matter of canola. I had no idea it was of such interest to him. Apparently a year ago there was a great deal of interest in canola as an alternative crop and this interest still exists.

The acreage of spring canola is increasing, but we are still anticipating there will be only a few thousand acres planted next spring. A canola workshop is scheduled for December 15 at Guelph to discuss various aspects of the production of this crop. Apparently, much of the enthusiasm was in respect to fall canola because of its much higher yield potential per acre. The researchers at the University of Guelph are now in their third season of testing, screening and developing fall-seeded varieties for our conditions.

Last year the results were not particularly encouraging. Severe winter conditions in southern Ontario caused failures. However, several test sites are again seeded for this winter. If a fall variety can be developed the economics of

canola will be greatly improved. Our researchers are working to provide a suitable variety for our producers.

We have managed to reduce our deficit in soybeans and soybean oil, cake and meal; we are in a surplus situation for soybean oil. Our net deficit picture in soybean and soybean products has been reduced 30 per cent in just the last two years.

Within the last five years, new short-season varieties of soybeans have been developed for Ontario by the University of Guelph researchers. While I am on it, I might just say we have to be impressed with the results of the research work at Guelph related to that over the years. It really is one of the best investments we make. It has been estimated for every dollar of the \$30 million a year we put into research through the ministry, we get a \$40-million return.

These new short-season varieties I just referred to were quickly adopted by farmers right across the south of the province. The acreage of soybeans depends very much on the economics of producing the crop; the decision by farmers as to whether to plant corn or soybeans depends on their relative economics, the weather and the grower's preference.

We became self-sufficient in grain when corn became more profitable and the acreages increased rapidly. A lot of that, of course, was also due to tile drainage. We do not have unlimited areas and frequently one crop is substituted in the rotation for another crop which is preferred by the producers. We do now have the varieties, the technology and the marketing system to handle soybeans. The 1982 production estimates, as of today, are for 856,000 metric tons, which is up 41 per cent from the 606,800 metric tons for last year, 1981. The production in 1980 was 689,000 metric tons. As you can see, the trend is certainly upwards with respect to that crop.

Mr. Chairman, that concludes my brief response—I did not use it all—to matters raised by members opposite.

Before we get into the vote and item discussion, I wonder if the members would agree, under standing order 8(b), that I might occupy one of the seats in the first row and have some of the members of my staff join me on the floor of the House?

Mr. Chairman: Do we have agreement?

Mr. Riddell: Agreed.

Mr. Chairman: Well, moving right along, are

we going to work into vote 1901? Is that the wish of the members of the committee?

Mr. Riddell: Are we going to consider the whole vote? Can we discuss all the matters under vote 1901, or are we going to go item by item?

Mr. Chairman: I would prefer to go to the whole vote. That way it allows some latitude. Is that all right with the member for Welland-Thorold?

Mr. Swart: Yes, Mr. Chairman, I would be prepared to go even further. As has been done in many of the other estimates, after we give our leadoff speeches we then move into the next vote, which would be vote 1902. Under vote 1902 we could cover, or at least I can cover, all the items that I want to cover and to ask questions about.

If the member for Huron-Middlesex prefers to deal with more of these items under vote 1901, I will not object to that, but I think we can more expeditiously deal with them all under votes 1902 or 1903 and that we could carry vote 1901.

Mr. Chairman: Do you have any other comments about vote 1901?

Mr. Riddell: I certainly do have something to say under vote 1901 when it comes to policies and priorities. I do not think we need to spend a great deal of time on it if the member for Welland-Thorold wants to move on to the other votes, but I certainly do want to spend a little time on vote 1901.

Mr. Swart: Okay.

Mr. Chairman: We should ask the minister. We might as well get—it does not matter? All right. Let us plug away at vote 1901. We will have the vote and get into 1902 later.

On vote 1901, ministry administration program:

Mr. Riddell: Mr. Chairman, we have certainly established new policy in this year's estimates inasmuch as out of the 20 hours allocated we have spent nine on the opening statements by the minister, by myself, representing the official opposition, by the member for Welland-Thorold and in the response to those opening statements by the minister. It is certainly an innovation since I have been in this Legislature.

I must compliment the minister on having gained a fair grasp of the ministry and the agricultural industry in the short time that he has been serving in that portfolio. I personally feel the present minister has brought a higher profile to the Agriculture and Food ministry

than we have had for some period of time. The fact that he has reorganized his ministry has given Agriculture and Food a much higher profile, but it remains to be seen how that will work out as time goes on.

9 p.m.

There are two items I wish to mention under new policies in connection with this ministry. First, I really feel the priority that has to be given this year and next year will be that of trying to keep the farmers on the farm.

The minister is not as concerned as he should be about the present trends, the confusion there is going to be in the farming industry and the terrible times we are heading for. I am very concerned about the number of bankruptcies we are going to see by spring of next year. I have talked to a good many farmers and others who say that 1984 is going to be even worse and that it is going to take us a long time before we pull out of this present economic slump.

I wonder whether the minister should not be giving some serious consideration to putting a moratorium on farm bankruptcies. I believe that when the farmers go to apply for their operating capital next year, and I am basing it on what is happening now, the bankers are going to ask to see the last two years' financial statements. They are going to see where the farmers have taken a loss, particularly this year with the prices of practically every commodity below operating costs.

I am not talking about commodities that fall within the jurisdiction of a marketing board that is able to set the price. I think the dairy producer is able to show a profit. The chicken, turkey and egg producers are not in the difficulties of those farmers who do not have the assistance of marketing boards.

I am being called to all kinds of farmers' places to see whether there is anything I can do to keep them from going bankrupt. Bankers are calling their loans. I was out to one the other day where the chap has a 38 per cent equity in his farm business. The only indebtedness he has to the bank is a \$25,000 operating loan. I went in to talk to the bank manager and for some reason that boggles my mind he simply said, "You realize there is a degree of confidentiality between the farmer and myself."

There was nothing I could say, although I knew the farmer's business. I spent two hours talking to him and his father and they told me everything, giving me all the information I ever needed. I found I was in the position of giving this information to the bank manager, yet he

could not tell me why he was calling the farmer's note nor could he tell me why he refused to send the farmer's application to the provincial committee.

The farmer applied for assistance under the Ontario farm adjustment assistance program and it never got off the bank manager's desk. I looked into it and made this suggestion: "Forget about the bank manager. Go to the chap from the agricultural representative's office; see if he will complete the application and have him submit it. Let us bypass the bank manager and see what will happen." That is what he did. The assistant ag rep, I guess it was, came out to his farm, sat down and they made out an application. I believe they submitted it without the assistance of the bank manager because he was not prepared to co-operate.

I could go on and tell the minister about all kinds of incidents where the bank managers are not going to co-operate with the farmers either by way of sending in applications for OFAAP or showing a little leniency, trying to do all they can to help keep farmers in business.

This spring we are going to see farmer after farmer go under simply because they cannot get any more assistance from the bank or from OFAAP. The reason is that there are probably too many restrictions in the program, one of the restrictions being that the financing cost has to amount to 20 per cent of the operating cost. This is catching quite a number of farmers, according to the information I am being given.

Second, the interest assistance does not apply to the other two categories of the program. Although the minister tried to explain why he was not prepared to give interest rate assistance to the new line of credit category, or category C, he did not indicate why he would not be prepared to give interest rate assistance to category A or the deferred interest part of that program. I go back to a release from the Ontario Federation of Agriculture, and I quote:

"The OFA has repeatedly stated that the restrictions on the Ontario farm adjustment assistance program make it less effective than it could be. We have agreed that both interest deferral, part A and the guaranteed new line of credit, part C, options must also be eligible for interest subsidy, or else the farmer who applies for assistance under the program is restricted in his financial planning and in fact realizes less benefit.

"Figures released recently by the Ministry of Agriculture and Food provide a statistical base for assessment of the program."

There are a few figures here. I will not quote them, because I do not think they are all that relevant right now.

This is from Ralph Barrie, president of the Ontario Federation of Agriculture, and he goes on to say:

"Statistics show that producers showed little interest in the interest deferral program. The reason, of course, is that principal on which interest is deferred for six months does not qualify for the five per cent subsidy. Yet, in our opinion, many producers could profitably use interest deferral as an enlightened way in which to plan their financial affairs to increase their cash flows significantly for six months.

"Consider a producer who has a debt of \$200,000 at a floating interest rate of 18 per cent. If he could defer interest for six months, his cash flow will improve by \$3,000 a month during those six months for a total of \$18,000. If he is a cash-crop farmer, he will be able to realize on the sale of his crop at the end of six months and pay off the deferred interest. By opting for the interest subsidy program part B, he improves his cash flow by only \$833 a month for a total of \$5,000 in six months.

"The difference, of course, is that under the subsidy program he does not have to pay back the \$5,000 at the end of six months. In fact, he will receive another \$5,000 in subsidy in the whole 12-month period. But if the principal on which he is allowed the deferred interest, part A, was made eligible for a five per cent subsidy, then he would likely choose the former interest deferral with subsidy. By so doing, he would not only get the benefit of a lower interest rate but also be able to increase his cash flow when he needs it most. Yet making part A eligible for the interest subsidy would not cost the government a penny more, because at present nobody is availing himself of the interest-deferral part A program.

"OFA has consistently stated that the guaranteed new line of credit, part C, must also be eligible for interest subsidy. The statistics to date show that the amount authorized under part C is roughly 10 per cent of the amount authorized for interest subsidy, part B. It is likely that this portion would increase in the coming months. However, our assessment is that amounts under part C will not exceed 20 per cent of amounts under part B. By extending subsidy eligibility to part C, the maximum increase in cost to the government will be 20 per cent. At the same time, the government might significantly reduce the risk of making pay-

ments on the guarantees. Fewer producers will go bankrupt if they receive subsidy on the new line of credit."

That is really the bottom line: to try to prevent more farmers from going into bankruptcy. I agree there are going to be some farmers for whom it does not matter what kind of program the minister introduces, he is not going to help. This could be a shot in the arm to deaden the pain, but they are going to go.

9:10 p.m.

I think the minister indicated that six per cent of the farmers, for whatever reasons, sell their businesses. They are the farmers who were persuaded by this government, back a number of years when there was a committee set up by, I believe Bill Stewart, the Minister of Agriculture and Food at the time. The report which the committee submitted was called the Challenge of Abundance. If the minister reads through that report, he will see where the committee was recommending that farmers get bigger and more efficient or get out of the business.

A lot of our farmers followed that advice, encouraged by the government in some of its programs, and they did get bigger and more efficient; but it has taken a lot of money to do that. Now that we are going through tough times, it is some of these very farmers who are now in trouble.

I worked with these farmers when I had my own livestock sales business. I got to know practically all the farmers in Huron county. I know it is some of the good ones who are in trouble. They are some of the ones I brought to the minister's attention. Some of them cannot be saved because they got in too deeply.

The reason they got in, again, was because they were encouraged not only by the government but also by the banks. When they went in to borrow money from the bank manager, the manager said: "I see no reason why I can't give you this amount of money. But why don't you take so much more and really get yourself set up? Put in a liquid manure tank or something of that nature."

The farmer never asked for it in the first place. He went in maybe to put up a new hog barn, but he was not particularly interested in going to slatted floors, liquid manure and all the rest of it; but the bank manager talked him into it. Now he finds that he has such high overhead he cannot make a go of it with the high interest rates, the high input costs and the low prices he is receiving for his products.

What I am saying is that if it appears we are

going to lose quite a number of farmers in the spring, that they are not going to get the assistance they need from the Ontario farm adjustment assistance program—and they have nowhere else to turn—will the minister consider a moratorium at that stage? Will he consider lifting some of the restrictions on OFAAP, now that he has extended it one year, to make it a more effective program for those farmers? That is all they have to rely on, because obviously the minister is not going to come in with any new programs.

For some reason he has put the young farmers' credit program on the back burner. I know he is hanging his hat on the tripartite stabilization program which he thinks is going to be the saviour of the farmers in the province, and in Canada for that matter. But as I have indicated in my interjections, the other provinces are not waiting to see whether the federal minister is going to go along with the tripartite program.

Saskatchewan has just announced a major mortgage credit program for its farmers. The province lowered interest rates in Saskatchewan to half that paid by most Ontario farmers. Saskatchewan farmers will be offered up to \$350,000 each at eight per cent interest. That is \$50,000 more than the top limit under the federal government's Farm Credit Corp. and compares with 15.75 per cent the FCC is charging.

I am simply saying that the other provinces are doing something to keep their farmers on the land. I do not feel that OFAAP is going to do it. I really have more concerns about what we are going to see in the next year or two than the minister does, I am sure of it. I am simply going by the comments he made in responding to some of our statements.

Hon. Mr. Timbrell: Mr. Chairman, I wonder if I could deal with that subject before the honourable member goes on to something else.

With respect, I think the member would have to look back over the course of this year regarding the comments he has made himself and the reactions I made to them. I think he would have to acknowledge that a great many of the things he indicated to me in the spring of this year were going to happen did not happen.

It is not a matter of who is more concerned. I am assuming, from the outset, that we are equally concerned, on both sides of the House, that we do everything possible to help producers who can be viable to remain in business. I know the member is realistic enough—he has indicated as much—to acknowledge that in

some cases nothing we do will help them and that, if anything, we would be better to try to find some ways to help them in an orderly way to make a transition to some other business.

With respect, a lot of predictions were made in the spring of this year about what was going to happen. We were confident over here that those predictions were incorrect and that we had put a program in place that could deal with the needs of agriculture. As it turned out, that has been the case.

I do not like to come back to it so often, but we did not have this stabilization policy in place to give support, particularly for the cash crops which have suffered so badly this year. I do not apologize for giving that policy a great deal of priority. I really do believe, and I think the member opposite believes, that it is important for the long-term stability of agriculture to put that kind of program in place.

The member has referred to the lenders' decisions, and I think I referred to that earlier today. I am sure that if the lenders over the past five or 10 years had been using the kind of criteria we have been using through the farm assistance program, there are any number of loans that would not have been made. But I do not think that is isolated to agriculture. Unfortunately, it is typical of the 1970s and of the attitudes of the lenders with respect to business and their expectations for the economy, which have not been fulfilled in recent years.

The options under the program were very carefully drawn, aimed at specific types of problems. Option B is the one that was expected to be most attractive to most farmers, and that has been borne out by the figures to date, the fact that we have approved interest rate rebates on operating loans in excess of \$600 million. Option C, as I explained earlier in the day, was intended primarily to entice lenders to stay with their clients. And there are any number of cases where options B and C have been mixed, where they have gotten an interest rate rebate on outstanding accumulated operating debt.

The lenders have been encouraged, enticed or persuaded to stay with their clients by way of a guaranteed new line of credit, which is at prime. That is still a good deal. Admittedly it does not involve a rebate, except I point out that some of the outstanding operating debt is well above current prime. The rebate was up to five points on that debt down to as low as 12 per cent. So I think I could argue that guaranteeing new lines at prime is tantamount to a subsidy

compared to what it would have cost without that guarantee being involved.

As for a moratorium, I can certainly understand the sentiment behind it. I just think we have to find ways to work our way out of it short of a moratorium. And if we are going to have a moratorium, I do not think we can do it on a province-by-province basis; it would have to be done nationally. In fact, there is a bill that has been presented from time to time by the member for Lambton-Middlesex in the House of Commons on that.

I am under no illusion that we have to watch this on at least a monthly basis to see where the trends are leading us and whether we need to broaden existing policies or adopt new policies in 1983. But I think we are on the same wavelength in that we want to give some help to the individual producer who can be viable to get over this period. I think the implications of a moratorium are much broader than the member may think.

9:20 p.m.

In terms of the long-term availability of credit, we have been able to work effectively with the lenders in this province. Some applications for the farm assistance program have been turned down, but not a lot. That low rejection rate does not indicate the program is a giveaway program but, rather, that before a proposal comes in it has been thoroughly worked over and discussed with the lender, the applicant, the local ag rep and whoever else was needed at the local level before it went to a local decision committee and from there to the provincial decision committee.

Mr. Riddell: Mr. Chairman, I guess we in the opposition are really asking the minister to give us some assurance that he will trigger a program if it appears within the next year that OFAAP is not going to do the job and many of our farmers are going to go into bankruptcy.

The minister talks about OFAAP doing such a wonderful job over the last year. We know it has helped about 3,000 farmers, but neither the minister nor I know how many farmers have gone into bankruptcy or how many other farmers have been forced to sell their farms before they reach that point. What we really do not know is how many more farmers could have been helped by some kind of program but, owing to the fact they could not qualify for OFAAP and had nowhere else to go, they either went into bankruptcy or sold their businesses.

Hon. Mr. Timbrell: Mr. Chairman, I hope we may be a little more open in exchange. With respect, we broadened the criteria back in March. The original criterion for getting into it was with 10 per cent to 50 per cent equity. We have broadened that to 60 per cent. We have even approved a dozen cases below 10 per cent equity where it could be shown there was a glimmer of hope. We reduced the gross production criterion from \$25,000 to \$12,000.

As I have said before on this question during question period, how much broader would the member make the criteria? I do not think the 20 per cent requirement with respect to debt load is unreasonable. This program was never intended to be the financing vehicle for every farmer in the province; it was intended to be targeted. One can go right back to the point where the task force report was written. They said there were individuals who should be helped. We agreed and accepted that proposal.

At present, interest rates have come down substantially. Obviously, as we go into 1983, we do not know what is going to happen during that calendar year with interest rates, whether they will stay down, in which case a number of these problems will be sorted out by virtue of that, or whether they are going to go back up again.

If we find the farm assistance program is not doing the job it did in 1982, which we figure it can continue to do in 1983, then it would not be like us to sit back and ignore it. We would have to take stock and where necessary make changes in direction. We are going to keep pushing through 1983 to get that stabilization program in place.

Mr. Chairman: I see the member for Welland-Thorold is dying to do something. I do not know whether he wants to get in on this.

Mr. Swart: Yes, Mr. Chairman, I want to get in on this issue. I presume we are going to be discussing this matter again under vote 1902, item 4, financial assistance to agriculture. I did want to make a few comments under this section, although pretty well everything could be covered under vote 1902.

When I see the minister standing up there with his arms folded, I think he looks as though he is getting the posture of the member for Brampton (Mr. Davis), the existing Premier.

Mr. Cassidy: He is assuming the mantle.

Mr. Swart: He is even going in that direction in trying to assume the mantle of the member for Brampton.

I am not going to deal with all the financial

matters I want to deal with, because I think they come under vote 1902, but there were some general comments made by the minister that I want to respond to.

The minister scared me when he indicated, if I heard him correctly, that 80 per cent of those 3,000-plus who have received assistance under the interest rebate program are 45 years of age and under. Surely that indicates as clearly as anything could that farmers in that age group are having the greatest problems.

I do not know whether the minister has statistics with him for those to whom he is giving the guarantee under the deferment; if he has, I hope he will give them to us. But when 80 per cent of those who are receiving it—and they are really in the most crucial situation except for those who have gone bankrupt and gone out of business—are under 45 years of age, that is a pretty serious situation.

I do not doubt the validity of those statements. All of us, including the member for Huron-Middlesex, know that farmers who have their farms paid for, the older farmers by and large, and many of the younger farmers who have inherited farms from their parents, are getting by. But those young farmers who have gone into business in the past five, 10 or 15 years, and did not have a great deal of capital to start with, are in a desperate situation. I think we have to recognize this. It adds to the demand for a very close watch and for much more assistance to be given to those younger farmers in particular who may find themselves on the verge of going bankrupt during the next six months.

I am a bit puzzled, too, why the minister cannot find out the status of those 145 who have gone bankrupt. If the federal Minister of Consumer and Corporate Affairs can tell us exactly how many in each province have gone bankrupt, does our Minister of Agriculture and Food not have access to that information? Can the minister not ask the federal minister to supply him with information in this regard?

It is important and fundamental to the whole argument of assistance to the farmers, because what we are looking at now and related to this whole argument if I did not misunderstand the minister, is that he stated the assistance went to four per cent of the farmers but that this four per cent represented 10 per cent of the agricultural production. I believe I am quoting him correctly.

What we have is that those farmers who are in jeopardy, and probably those who have gone bankrupt, are, number one, the younger farm-

ers, and, number two, the larger farmers. Perhaps the most productive farmers are the ones who are in jeopardy. Surely this must give the minister some very real cause for concern when it is that class of farmer in great difficulty.

I do not express any surprise at that; it verifies what I have suspected. But it certainly gives impetus, as I see it, for financial assistance programs that will be meaningful and will prevent any large number of those farmers from going out of agricultural production.

I agree with the minister that any financial assistance he gives has to be given on a businesslike basis. If any government gives out money that promotes a nonviable operation, there is a danger to that and it is something none of us wants to do. But at present, and the minister must agree, the situation is abnormal.

9:30 p.m.

It is not a normal situation with which we are dealing. They are not poor farmers or poor businessmen, generally speaking. They are farmers who have had viable operations and still would have going concerns if it were not that interest rates have gone so high and now farm prices are dropping substantially; they have been caught in that twin squeeze.

All of us in this House want to ensure those farmers do not go under. If they do go under, it is not only going to be those farmers who will suffer, it is also going to be society in general. There is going to be a price to pay.

When I hear the minister talk about six per cent of the farms changing hands in any normal year, saying this in a nonchalant manner as though what is happening this year is normal too, it bothers me, because what is happening this year is not normal. Surely he must agree that the number of farmers who are in financial difficulties and who are going out of farm operations because of financial difficulties is many times what it was back three, four or five years ago. It is a whole different situation now to what it was at that time.

The minister will rise in indignation to disagree with me, as he did before, but there are some parts of his original statement that I like, at least with the proposals in writing for agricultural economic planning in the province. I feel good about those things because they are what would be called socialist measures.

Here is a government that is doing this economic planning for an agricultural society. If he could talk to the Minister of Industry and Trade (Mr. Walker) and have him set out an economic plan such as that for the whole

province, and if he followed that plan and the minister of agriculture followed his, we would probably be in a far better position. But if the Minister of Industry and Trade takes the opposite position. This minister is establishing an overall agricultural policy and I commend him for it. Hopefully, one way or another he is going to ensure it is brought to fruition.

Mr. Wildman: It is the socialist fifth column, Duncan Allan, in the ministry.

Mr. Swart: Perhaps that is it.

Just to show how far he will go, I have an article from the London Free Press, dated April 2, 1982. The heading is, "Timbrell to Get Prod Out if Needed." It reads in part: "Ontario's fledgling agricultural minister Dennis Timbrell said Thursday he does not intend to be dictatorial to the province's rich agriculture and food industry, but if he decides it should be taking a new direction, he implied he will wield a big stick.

"As an example, Timbrell told an informal meeting of the Eastern Canadian Farm Writers Association the government had to do some prodding to get industry to agree on setting up a tomato paste processing industry. Earlier this week, Timbrell announced a \$3-million grant to a \$15-million H. J. Heinz Co. tomato paste project to help replace \$25 million in imports of paste each year. He said, 'We had to knock a few heads and twist a few arms to get a few of these industry guys to come to the table.'"

Boy, that is getting a handle on things. There is socialist direction and economic planning for the agricultural community. I commend him for it. That is all part of his overall program, a program on paper, for import replacement. I have to point out to the minister it is his Conservative government that has brought us to this situation. Over its well nigh 40 years of governing this province, it brought about the need for import replacement.

When those people came to power this province was self-sufficient in those goods we could produce. Whatever happened that we got to the point where we import something like 80 per cent of our peaches and peach products into this country? Yes, he has some responsibility to start us back in the other direction. I am glad to see he is at least talking about it.

Although he made some very disparaging remarks about my former leader here, the member for Ottawa-Centre (Mr. Cassidy) did more while he was leader to popularize the term "import replacement" than any other member of this Legislature. He talked about that con-

stantly in this House and he talked about it in the agricultural community. He did more to promote that than any other member of this Legislature. I think the minister should be honest enough to give him credit for it.

I have one question under the ministry administration program, that is with regard to Experience '82. I do not say it is the most important issue we have put before this House, but I notice there was a reduction in the amount of money allocated to us this year compared with last year. It is not a major reduction, but if we take into consideration the fact that wages are slightly higher, I understand it is a fairly substantial reduction. I would have thought that with the needs of agriculture, the minister would have found places within his whole ministry to at least have kept up with the program they had last year. With the need for jobs for young people this year, that aspect would have enhanced it.

I wonder if he could give us the figures on the numbers employed and the length of time compared to the previous year and to the 1979-80 year. I think I will leave any further comments I may have to vote 1902, which is going to be dealing with both of these items individually.

Hon. Mr. Timbrell: Mr. Chairman, I want to respond briefly. I will get the member the figures on Experience '82. I do not have them here.

The member points to the figures I gave him of the fairly high percentage of those under the age of 45 who have been approved to date under the farm assistance program. He sounds as if that surprises him. Again, it was because of concern about the impact of high interest rates, and in recent years high land costs, on beginning farmers and younger farmers that the program was introduced. I suspect if there was a program of assistance to hardware dealers or real estate companies or whatever business sector we look at—it would not matter—we would find it would be the younger person in the business who is more highly leveraged.

The farming business tends to be somewhat unusual in that every generation it has to be recapitalized, particularly now as lifestyles have changed and people do not necessarily want to retire on the farm. More and more they want to retire earlier, they want to enjoy the same kind of retirement or lifestyle their peers are having—

Mr. Swart: You mean they want to be unemployed too?

Hon. Mr. Timbrell: I do not make light of that. I do not know why the member would.

Usually they want the same lifestyle as their peers, travelling and that sort of thing, which did not happen a generation ago. More and more there is the need for every generation to recapitalize that farm as the next generation buys it from the parents or from those who are retiring.

I do not know why that surprises the member. That is going to be true in any era of high interest rates; it is going to be the younger individuals in any business who are going to be the ones with the greatest problem. If we look at the housing market right now, those who are having most difficulty holding on to their homes are people like myself in the under-45 age group who have the higher mortgages in terms of the quantum and the higher rates of recent years.

9:40 p.m.

Mr. Swart: And the unemployed and those with no seniority.

Hon. Mr. Timbrell: That is the point. I do not know why it surprises the member. If anything, it should please him that we have been able to help as many as we have under this program.

Unless I misread my estimates book, we budgeted \$839,500 for Experience '82 in 1982-83. Our 1981-82 estimates were \$666,900. If he wants figures on the actual numbers employed, I will be happy to get them for him. I want to say, though, that one of the things I am particularly pleased with is the reaction I have heard as I have moved around the province and the reaction I have had in ridings from many farmers about the agricrews who have worked our Experience program. They have been extremely well received; it is a great experience. They are of meaningful benefit to the individual farmers who engage them to help with work on their farms. That is a program I hope he agrees should be retained, but I will get him the actual numbers.

The Acting Chairman (Mr. Robinson): Thank you. With 10 hours and 33 minutes, the member for Huron-Middlesex.

Mr. Riddell: I will not be long, Mr. Chairman, because I know my colleague the member for Haldimand-Norfolk (Mr. G. I. Miller) wants to get involved in this part of the debate too.

Another restricting factor in the Ontario farm adjustment assistance program is the 60 per cent equity. The minister alluded to it a few minutes ago and I want to pursue it before the member for Welland-Thorold gets started.

Farmers are telling me that the land values

are based on the values which were used one, two and three years ago. The present land values are not used. We all know that in many cases land values in some areas of the province have been cut in half because of the economic slump we are in. If the minister is going to use land values based on those values of one or two years ago, they are going to go over the 60 per cent equity, but if we are to be more realistic and use today's land values, then they will fall within the 60 per cent equity and they will be eligible for the program. I want the minister to comment on that.

There is one last point I want to raise and then I am going to be quiet and let the other members carry the load for the rest of the night if they want, and that pertains to the property tax rebate policy the minister announced at the Ontario Federation of Agriculture banquet.

I cannot say that I am speaking for a majority of the farmers. I know I am not going to be in tune with the OFA, if indeed they are supporting the minister on that program, but I am one farmer who does not believe that land should be exempted from tax or that the government should be rebating 100 per cent of the land tax. Farmers should be asked if they believe that their land should be taxed for services to land; in other words, as far as I am concerned, there should be a tax applied on land for hard services.

Let us face it, the farmers use the roads to get to and from the elevators, the co-ops, wherever they do business. If a tractor happens to catch fire, they rely on the fire department to come and put it out. If some of the straw catches fire in the field, they will phone the fire department to come to put out the fire. Why in the world should land not be taxed for hard services? Maybe it is my free enterprise nature, but I am one who thinks it is ludicrous to either exempt land from taxes or to be paying back 100 per cent to farmers on the land.

If a farmer goes into tax arrears, what is the municipality going to do? Is it going to take his house or the land or both? The farmers are going to be taxed on their houses but not on their land. In other words, the government is going to rebate 100 per cent of the taxes on the land. In effect, it would sound to me as if the municipality cannot touch the land if he goes into tax arrears because he has nothing to do with the taxes on the land. So the municipality comes along and says, "We are taking your house." That implies there has to be a separation, because the municipality cannot touch his

land but can take his house away. I wonder if the minister has given this some consideration.

I wish he would rethink this whole business about rebating a farmer 100 per cent of his land tax. If the farmers stop to think about it they are not going to be happy, because they do not want to be considered different from any other businessman. Other businesses pay a tax. I am not saying I agree with business taxes, but the farmers do not want to be separated. They do not want people believing the government is doing all these great things for them or that it is paying all the taxes on their land.

A lot of the farmers are left with the impression: "I wonder if I do own the land in that event. If a trespasser comes across my land and I go out and say, 'I do not want you motor skiing or snowmobiling or hunting across my land,' and if I try to put that person off the land the person may just say, 'Listen, mister, are you paying the taxes on this land?'"

The farmer would have to say: "No. I guess I paid them initially, but then the government turns around and gives me 100 per cent of my taxes back." The hunter would then say: "Well then, mister, you do not have much say about your land, do you? The government is giving you all the taxes back on your land, so as far as I am concerned the government has control over your land. You take the matter to your government because I am not leaving your land. As far as I am concerned you do not own the land."

I know this is a myth. My response to farmers who bring this to me—and there are all kinds of farmers who do—is that if they want to find out who owns the land, to go into the registry office and ask who owns it. It is a bit of myth, feeling you do not own the land because the government rebates 100 per cent of your taxes.

Maybe I am talking only for myself, but I know there are other farmers who would agree with me it is wrong that a government should be rebating 100 per cent of the taxes. I think the land should still be taxed for those hard services. Then the farmer has some feeling there is a tax applying for the land to pay for the upkeep of the road he travels on and the fire and police services he gets.

I do not care what Ralph Barrie says nor what the Ontario Federation of Agriculture says. We have a few directors there who are calling the tune for the majority of farmers. If we were to take a trip down the back roads and talk to the farmers and ask them if they are happy with the government rebating 100 per cent of their land tax, I bet more farmers will say they disagree

with that program than would say they agree with it.

The minister is going along with it because he knew that something had to be done. Going back to the days of the old Blair commission report, I believe they said they were going to exempt farm land from taxes and there was a big hue and cry amongst the farmers when that program was announced.

9:50 p.m.

Then they made a few amendments to it and they thought well, okay, we will have the farmers pay on 10 per cent of the land and the other 90 per cent will be exempt from tax. I believe it is something of that nature. The farmers still were not happy and there are farmers today who are not happy about the government rebating 100 per cent of their taxes.

The reason I know that is because I spent the weekend talking to farmers. I got telephone calls that I have to return, messages are on my desk right now and the little note at the bottom of the messages pertaining to the property tax rebate program says: "We do not want the government rebating 100 per cent of our tax." They are not satisfied with that program. Maybe I am speaking on behalf of a minority of farmers but I do not think it is right either.

Another reason I do not think it is right is because I happen to know there are doctors and lawyers who own farm land. A very prominent lawyer in Goderich—I will not tell you his name—owns all kinds of farm land, farm land that does not have buildings on it. What are we doing? We are saying to those doctors and to those lawyers: "You do not have to pay any tax on this farm land because it is all going to be rebated to you." So they have a free ride. I do not think that is right. Neither do the farmers think it is right that the doctors and the lawyers should be getting a free ride because they happen to own land that does not include a farm house.

The minister scoffs. I do not understand why he does not see that point. To my way of thinking there is no way that doctors and lawyers should get away without paying some tax on the land they own but under your program they are not going to worry about one red cent of tax because it is all going to be rebated to them. So they have a house in the city and they are going to pay the taxes on the house just as the farmer is going to pay the tax on his house, but they can go scot-free on all this land they own. It is wrong; it is ludicrous. I really wish the minister would give this matter second

thought before he comes in with a program whereby 100 per cent of the taxes are going to be rebated.

Surely some kind of program can be worked out whereby a farmer would be taxed on his land for services to that land, if we want to put it that way. I agree that the land should not be taxed for soft services, for services to people, and that is the reason we started the 50 per cent rebate, because the farmer found he was paying more than his share towards education by virtue of the fact that he owned all this land.

But we still have roads, fire departments and police service, or what we might call the hard services. I really think that the land should be taxed for those services and that the government should not rebate 100 per cent of the taxes. I just throw that out for the minister's consideration and now I am going to shut up and let him take the floor.

The Acting Chairman: With 10 hours and 21 minutes, I understand that there is agreement among the parties that we have nearly concluded vote 1901 and are prepared to move on. I do not know; but I will certainly recognize the minister.

Hon. Mr. Timbrell: Mr. Chairman, this is an item that has not come up earlier in the discussions. With respect, in listening to part of the member's remarks, I thought at some point I was at a Libertarian rally, because if he pursued that argument to a plausible conclusion any sort of government assistance or support of agriculture would fall into the same category he is describing.

Obviously, the land remains in the ownership of the individual. Nothing in our farm tax rebate program in any way, shape or form jeopardizes or compromises the title which they hold. Individuals who apply for this assistance would have to have paid their taxes on the land. That will not change. They will still pay their taxes to whichever township for that land and then apply for the full rebate on the productive land. I emphasize on the productive land and come back to that. They will have to show proof that they have paid their taxes.

So the member asks, "What will the municipalities do if somebody is in arrears?" The municipalities will do what they always do: They will attach interest on the outstanding balance. And if it gets too far gone, the municipality will move in. That will not change.

Mr. Riddell: What will they do? Will they sell

the house? Will they sell the farm? Will they sell the whole thing?

Hon. Mr. Timbrell: If they are in arrears on both, then they can sell both; if they are in arrears in one part and not the other, that is what they will do. That relationship will not change. But the individual will have to apply for the rebate.

I do not know what the member has against doctors, lawyers or whatever. He has got at least a couple of lawyers in his own caucus; no doctors that I can recall. The policy is aimed at keeping productive farm land in production; whether a doctor owns it, a retired spinster or whoever, is immaterial.

The policy has certain gross production criteria, the member will recall, and as long as the land meets those criteria—the land; I am not talking now about the applicant, whether the person is very wealthy or on a meagre income—then they can apply and they qualify. We are not aiming to support doctors or lawyers; we are aiming to keep productive land in production, that is all.

The member says he thinks there should be some other system. We have explored any number of systems and concluded that the best way was in fact to rebate the full taxes on the productive land.

He is quite right, a few years ago when my friend Mr. Blair chaired a commission on taxation they talked about a full exemption, and I can fully understand why farmers would certainly be upset about that. I would not be very happy about it, either. There is something very important about maintaining that relationship: "It's my land. I will pay the taxes on it, and then I will apply."

If the member is returning any of these calls and they do not like the program, they do not have to apply. We are not automatically sending them cheques. If as a matter of principle they disagree with it, tell them not to apply. They also may not apply for the property tax credits, which would be available to them with their annual income tax return, on their homes and the land on which the homes stand. There are some people who do not apply for those because they disagree with them as a matter of principle, and I respect that. Nobody forces them to take it. They do not have to take it.

But we are not going to change their relationship to their municipality in any way. We are not going to reduce their right to control their own property. Again, if you pursued that to the nth degree, there are all kinds of senior citizens in

this province who get extensive support with their property taxes. That does not mean they have to turn their property over to whoever comes along on the grounds that they as taxpayers have paid for part of it. That is ridiculous.

They have been identified as another group in society who for different reasons warrant support with respect to their property taxes, and they get it. The farmers are not in any less defensible a position with respect to the protection of their property, their livestock or their possessions as a result of this. So when the member talks with these individuals, I hope he will stress the facts to them. They may very well be under the impression that we are still talking about an exemption. We are not; we are talking about rebate.

The municipalities were just as concerned at the time this was discussed as individual farmers. Their concern was that if the province just exempted this whole class of land, then somehow it could be manipulated at a later date, that the province could fiddle with the grants. I do not blame them for that.

When I was Minister of Health we used to have a saying, that just because you are paranoid does not mean they are not after you. That is a quite popular concern, because ministers can change, administrations can change; and if there had been such a class exemption, perhaps those fears might some day have come to pass. So I understand that.

We have opted for a rebate program. It will be 100 per cent on the productive farm land. Farmers will also get a further break in that the land on which their homes sit will be assessed at 50 per cent of local prevailing value.

10 p.m.

The homes will be assessed on the same basis as other homes in the community. If the member is worried about doctors and lawyers having palatial country homes on these farms, they are going to pay for them and they are going to pay big. As long as the land is in production and meets the production criteria, that is our main concern.

Mr. Riddell: If you consider farming with horses to be making the best use of productive land, and considering that the sale of two colts for \$12,000 would make the nonresident owner eligible for the tax rebate, then I say your program is misdirected.

The Acting Chairman: Has the minister concluded his remarks on this segment?

Hon. Mr. Timbrell: I want to deal with the last matter the member raised, the question of 60 per cent equity. In most of the cases I have heard of this year, they sat down with their lenders and did current appraisals of the assets with current land values. There have been cases where, because there have been some significant reductions in land values, the equity has dropped considerably compared to the accumulated debt load. I have heard of cases, and perhaps the member will describe more of them, where they have fought hard to keep the original assessed values included in the assessment of their net worth.

In most cases I have heard of they have used current land values. That has reduced a great many, if not most, of the cases that have been considered below the 60 per cent figure. I have not heard many complaints that the figure is too low. We have both heard from men who think we should not be doing any of this. Maybe they do not think we should be doing anything about farm tax rebates of any kind either, but I do not find they approach a significant proportion.

Mr. G. I. Miller: Mr. Chairman—

The Acting Chairman: We have something of a quandary in the rotation. It should be the member for Welland-Thorold. In the normal course of events, I would have recognized the member for Haldimand-Norfolk. In maintaining the rotation, I will recognize the member for Welland-Thorold.

Mr. Swart: Mr. Chairman, I am going to speak on this particular issue. I had not intended to speak. In view of the fact you allowed considerable discussion, it is important for me to comment on it and put the position of our party on this.

We fully support the proposed property tax exemption on land that is used for agricultural purposes. I have fault to find with the way the minister is introducing it. He is taking something away before he is giving anything. That promise is two years down the road. It is promised for this year, but it could be taken away next year or the year after. What he is doing immediately this year is raising that exemption to \$8,000. What is happening is, before the farmers get any additional benefits, something is taken away from them.

Though I may not disagree fundamentally with the principle behind the higher exemption, I totally disagree with the way it is being done. The minister starts that one this year and two years hence he is going to give the additional

money, or so he says now. But we have to remember that last spring we had a promise in the budget, and prior to that time, for the young farmers credit program, which has not materialized.

I object to taking something away right now. There is the saying, "A bird in the hand is worth two in the bush." The bird in the hand this time is a bird that is pecking away some of the farmers' income. The bird in the bush is two years down the road which is going to provide some additional assistance to the farmers.

In support of this program, as the minister has said and I agree with him, I do not see anything wrong with the principle we have in this province now. I presume many of our senior citizens, perhaps the majority, pay no net taxes on their property. I do not think any of them feel their property is in jeopardy because of that.

There is something that bothers me most of all about the position of the member for Huron-Middlesex. I guess I am not surprised when he comes out in favour of high interest rates for farmers. We are not surprised to have him come out in opposition to the removal of the property tax on agricultural land.

But what is taking place at the present time is so unjust—getting a straight 50 per cent tax reduction on all buildings including the home, as long as there is \$5,000 of agricultural production there. We have quite a number of cases in the Niagara Peninsula where some of the homes are worth \$150,000 or \$250,000. They are not all owned by the doctors or lawyers that you talk about, either. A businessman who used to be a famous hockey player has a home that is worth, I suppose, a third of a million dollars. He has farm production in the amount of \$10,000 on this farm. So he would get a tax rebate on the house too: 50 per cent across the board.

With the new program at least they will pay the tax on that house, the same as if the primary use of that land was for the building of the house and any farm production was only incidental. There is a major improvement in fairness here, where the rebate is actually going to be for the agricultural land, not for the building, and that seems to concern the member for Huron-Middlesex.

So the program itself is sound but the sneaky kind of way it is being done is what I object to—taking something out of the farmers' pockets on the promise that at some later date you are going to put some money back in.

Mr. Riddell: Mr. Chairman, on a point of

order: I should not be bothered getting up to try to correct the record—

The Acting Chairman: Make sure it is a point of order then.

Mr. Riddell: —but the member for Welland-Thorold has said I advocated high interest rates for the farmer. I tell you, Mr. Chairman, he has perpetrated an outright untruth, because never have I advocated high interest rates for farmers. I said in my speech on Bill 179 that high interest rates happen to be part of a restrictive monetary policy.

Mr. Chairman, if you do not like the idea that I have said it is an outright untruth, then you tell me. I am prepared to be escorted out of this room, because I will not retract it. I have listened to him say that and if he can prove that I have said it, I am willing to see the proof. But until now, I say that the member for Welland-Thorold is perpetrating untruths and I do not intend to stand for it.

The Acting Chairman: I am sure the member for Huron-Middlesex will realize that he rose not on a point of order but on a point of privilege which extended to a point of clarification. He will also recognize, because he provoked the chair to recognize it, that he may have contravened the standing orders by suggesting that another member of this House may have uttered a deliberate untruth. That is the point of privilege we are now on.

The member for Welland-Thorold has caught my eye and also will rise on a point of privilege.

Mr. Swart: Mr. Chairman, I am not sure I heard exactly what the member said on his point of privilege. I rise to say that I quoted from Hansard rather extensively where the member, as he now admitted—

Mr. Riddell: Get out the Hansard and prove it.

The Acting Chairman: Order.

Mr. Swart: —said he was supporting high interest rates. I will admit he did not say he was supporting them exclusively for farmers—

Mr. Ruston: That's what you said.

Mr. Swart: No. I did not say exclusively—

Mr. Riddell: It is pretty near time you decided to tell the truth.

The Acting Chairman: Order.

Mr. Swart: I said he supported high interest rates in general. He did not say "excluding farmers." He said, "I support high interest rates."

10:10 p.m.

Mr. Riddell: I said high interest rates are a result of a restrictive—

The Acting Chairman: Order. Will the member for Welland-Thorold identify his point of privilege or resume his seat, please?

Mr. Swart: Mr. Chairman, I am not sure of the exact words of the member for Huron-Middlesex—

Mr. Riddell: Well, if you don't know what you are talking about, don't talk about it.

Mr. Swart: —but I think they were unparliamentary and should be withdrawn, because I believe he accused me of making an untrue statement.

Mr. Riddell: You want to believe it.

The Acting Chairman: The member for Huron-Middlesex has indeed accused another honourable member of this Legislature of deliberately uttering a mistruth. For the sake of order and decorum, will the member for Huron-Middlesex now withdraw that remark?

Mr. Riddell: Mr. Chairman, I have heard him say that so many times and it definitely is not the truth. He cannot show anywhere in Hansard that I have advocated high interest rates for farmers or anybody else.

The Acting Chairman: Will the member for Huron-Middlesex withdraw the remark?

Mr. Riddell: I am telling you he has distorted the facts.

The Acting Chairman: Will the member for Huron-Middlesex withdraw the remark?

Mr. Riddell: No, Mr. Chairman, I will not.

The Acting Chairman: I ask the member for Huron-Middlesex one last time and I caution him that if he is not prepared to withdraw the remark, I shall be obliged to name him. I shall have to move that the committee rise and report the situation to the Speaker in the House.

Mr. Riddell: Mr. Chairman, you do what you have to do, but I will not stand to have somebody deliberately distort the facts. That is what he did and I cannot withdraw.

The Acting Chairman: Then I have to name the member for Huron-Middlesex, Mr. Riddell.

The Acting Chairman suspended the proceedings of the committee and reported to the House.

The Acting Chairman: Mr. Speaker, in the committee of supply the member for Huron-Middlesex accused the member for Welland-Thorold of uttering a deliberate mistruth in the House. At my invitation, he refused on two

occasions to withdraw the remark. Under the provisions of the standing orders, it was my responsibility as chairman of the committee of supply to name him and to report to the House. I now so do.

Mr. Ruston: Mr. Speaker, on a point of order—

The Acting Speaker (Mr. Treleaven): It is without debate. There must be no debate and no point of order on this. There is nothing out of order. The chair will not recognize that. The member for Huron-Middlesex is again requested to withdraw his remarks.

Mr. Riddell: Mr. Speaker, when I know I am right I cannot withdraw the remarks. At no time have I advocated high interest rates for farmers, which is what the member implied. It is not correct and I will not withdraw.

The Acting Speaker: Might I point out to the honourable member that it is not a question of whether he is right or wrong. It is a question of propriety in the House. Your withdrawal is not a statement as to the veracity or otherwise; it is only to withdraw that statement in the House. Will you please withdraw it?

Mr. Riddell: Mr. Speaker, I do not know how many times I have listened to that member say the same thing ever since we started the agricultural estimates and I cannot withdraw it.

The Acting Speaker: Then the member for Huron-Middlesex is hereby named. Will he please leave the chamber for the balance of the day?

Mr. Riddell: Gladly.

The Acting Speaker: Thank you.

Mr. Riddell left the chamber.

Mr. Ruston: Mr. Speaker, on a point of order: Something that bothers me, and it has bothered me on previous occasions when the former Speaker was in the chair, is that a member can get up and speak about another member without verifying what he says. You forced a member to leave this Legislature because of what another member said. The member asked the other member to prove it and he could not.

I realize you can only do what has been done in the past. I also realize you are new at the job, and I would not want to put you in an unfair position, but I think it is very unfair. If the person who accused the member for Huron-Middlesex of saying something could have stood up in his place immediately and verified exactly what he said, then I think you would be per-

fectly in order in advising the member to leave, but otherwise I do not think you were in order.

The Acting Speaker: That is not a proper point of order. We are under standing order 19(d)8, which says simply that a member is out of order when he "makes allegations against another member." As Mr. Speaker has mentioned over and over, it is not up to the chair to determine the veracity of the allegation or the other side. It is not the duty of the chair to do so, but simply to rule when there is an allegation made against another member in the House which is not permissible under the standing order. It is as simple as that.

House in committee of supply.

ESTIMATES, MINISTRY OF AGRICULTURE AND FOOD (continued)

On vote 1901, ministry administration program:

Mr. G. I. Miller: Mr. Chairman, I had a supplementary going back a while ago in regard to some of the questions put to the minister with regard to the program to protect our farmers.

First, I want to say I admire my colleague the member for Huron-Middlesex (Mr. Riddell) for standing up for his rights, because I am sure that we would never promote higher interest rates for the farming industry at any time or at any point. That is particularly true of my colleague the member for Huron-Middlesex, who understands the farming needs much more than do our socialist friends on the left.

Interjections.

The Acting Chairman (Mr. Robinson): Order.

Mr. G. I. Miller: It irritates me to no degree when the minister gets up and speaks about trying to encourage our young people to get back to the farming industry. He cites the example of Saskatchewan and how they have made a turnaround with the new government. My colleague again indicated that they are coming forth with a program of assistance and perhaps get 5,000 new farmers back on the farm in the next three or four years.

I do not see any place in the minister's opening statement where he has that kind of plan. Rather, we have a declining farming industry with fewer people on the farm. That is what is taking place. What has happened over the past 10 years is that the number of farms has gone from 125,000 to 85,000, and the minister himself indicated today that it is now down to 82,000. That was the figure used.

The minister indicated that he has saved

3,000 farmers this year with the low-interest assistance program. I will grant him that we have been able to maintain numbers, particularly in my riding of Haldimand-Norfolk. Several farmers met with the minister and his people, and we have been able to keep some of those young farmers on the farm for this past summer, but I do not know about the year to come.

I want to bring to the minister's attention two resolutions that were brought to the Ontario Federation of Agriculture annual meeting from the federation of the county of Haldimand. The first one reads, "Whereas low yields and low commodity prices threaten many cash-crop farmers in Ontario this fall; and whereas the depressed economy and North American grain surpluses promise no immediate improvement; and whereas the success of the Ontario farm adjustment assistance program for the red meat sector has demonstrated a critical need for a permanent and predictable vehicle for farm operating capital; therefore, be it resolved that the Ontario Federation of Agriculture lobby the Ontario government to have the Ontario farm adjustment assistance program extended and improved as a permanent vehicle for farm operating credit."

10:20 p.m.

I wonder if the minister might give that consideration and, instead of having the interest rate come down five points to 12 per cent, perhaps the five points could be deducted from today's interest rate, whatever it is—say 15 per cent—down to 10 per cent to give them full advantage of the five per cent.

The low prices for corn and soybeans and the difficult problem they have had with their wheat quality because of poor conditions in the harvesting season this past year, are going to put a lot of pressure on many of these young farmers. For example, frost has caused tremendous damage to farms in certain areas. One farmer harvested only 12 bushels to the acre of soybeans and corn, when normally he would have averaged 25 bushels per acre.

I have suggested to these farmers that they have the alternative of utilizing OFAAP or crop insurance, but even after they have looked at those alternatives I do not think they will be able to pay the interest rate—which in the case of the particular farmer I cited was 16 per cent—so I think this resolution that was brought forward by the Haldimand farmers to the Ontario Federation of Agriculture has merit.

The second resolution that was put before the

OFA convention was for a moratorium on farm bankruptcies. That resolution read as follows:

"Whereas the 1981 emergency task force on agriculture recommended an immediate moratorium on farm bankruptcies, receivership and voluntary liquidation; and whereas low yields and lower commodity prices are even greater concerns of cash-crop farmers this year than high interest rates were last year; therefore, be it resolved that there be an immediate imposition of a moratorium on farm bankruptcies for a 12-month period."

My colleague the member for Huron-Middlesex asked if the minister would give that resolution consideration if matters continue to deteriorate, so that the young farmers can have some assurance that they will be able to realize their lifelong ambition to remain in the farming industry in my riding of Haldimand-Norfolk and in Ontario.

Mr. Ruston: Mr. Chairman, I want to speak about the general operations of the minister's office. I know he has had the appointment for only a few months and I think he is working at it quite hard. I know he is ambitious.

I attended a function in the county of Essex at which the minister made a presentation with regard to tomato paste and the introduction of new plant facilities to increase tomato acreage. I mentioned to him at the time that Mr. Stewart, former Minister of Agriculture and Food, and I many years ago used to talk about the amount of tomato paste which was imported into the country from abroad. I know from some of the companies I talked to, such as Del Monte and some others, that a lot of it was imported from the United States.

I think that is probably one of the best routes the minister has taken since he has been in that job. I know he started it last year on a small scale. For the H. J. Heinz Co., I think the total expenditure is around \$18 million for what they are doing. I think the grant was \$3 million and they were going to—

Hon. Mr. Timbrell: Fifteen million.

Mr. Ruston: Fifteen total? Theirs would be around \$12 million and yours \$3 million. Okay. Then the Primo one in Gosfield North township just a few weeks ago was \$1.3 million or something, I believe, and I think the Primo company has already spent most of its money on facilities. In talking to some of those who are operating this plant, I found that they will be increasing their acreage quite considerably.

That means a great deal for two reasons.

First, it stops the imports and so much of our money going out of the country. Also, it creates a great deal of employment in an area that has a very high unemployment rate, with the city of Windsor and the automobile industry the way it has been for the last couple of years.

That will mean a great deal to the farming area of Essex and Kent counties, because we have some of the best land for growing tomatoes. Not only is it the best land, but one thing some people forget in class 1 and 2 land is the heat unit that is developed in an area, which really is probably the main part of it as well, because you just cannot grow tomatoes unless you have the heat to ripen them and so forth in the long growing season we have in Essex county. So it means a great deal to that area.

An interesting thing happened at the function that day. We had a light luncheon put on at the Ciociaro Club in Sandwich South. The minister has something in mind for the future, I would think. Very kind fellow that he is, he introduced me as the local member and Mr. Delmer Bridgen, the reeve of Gosfield North, where the facility is located. Mr. Patterson, who was the Progressive Conservative candidate for Essex South in the last election, was acting chairman of the function that day and he said he wanted to introduce a few of the Progressive Conservative Party members who were there for the function.

Mr. Wildman: He did not turn it into a partisan event, did he?

Mr. Ruston: I have been in politics for 15 years here and eight years in municipal politics, and I have had quite a few meetings, connections and ministers down in the area from the

federal and provincial governments. I have never in all my life seen a minister come into an area and present a cheque, which is a nice thing to do, where at that meeting the second group he introduced was the Progressive Conservative Party of that area: voila—former candidates, different presidents in different executives of different parties. And that is no problem.

I think, though, the minister should have done it in a little different rotation, because he then introduced the farmers, and they are really the important ones when it comes to tomatoes. If we do not have the farmer out there planting them, working that soil down and looking after it, we will not have any tomatoes to put into the factory. I would not have done it that way, and in my time in politics I have not seen it done in a way that was so politicized.

I can understand the minister; I know the Premier (Mr. Davis) will be retiring in a couple of years and there is going to be an opening for the leadership. It never bothers me much; that is politics. My dad used to say that the democratic system might not be the best functioning or the cheapest, but there is no other that is any better.

The Acting Chairman: With that particularly inspiring note from your father, I draw the honourable member's attention to the clock.

Mr. Ruston: I suppose I have another 30 seconds, but I guess that is okay. I will let it go until another day.

On motion by Hon. Mr. Timbrell, the committee of supply reported progress.

The House adjourned at 10:30 p.m.

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- Miller, G. I. (Haldimand-Norfolk L)
- Piché, R. L., Acting Chairman (Cochrane North PC)
- Riddell, J. K. (Huron-Middlesex L)
- Robinson, A. M., Acting Chairman (Scarborough-Ellesmere PC)
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Ontario. *LEGISLATIVE ASSEMBLY*

No. 165

Legislature of Ontario Debates

Official Report (Hansard)



Second Session, Thirty-Second Parliament

Tuesday, December 7, 1982

Afternoon Sitting

Speaker: Honourable John M. Turner

Clerk: Roderick Lewis, QC

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LEGISLATURE OF ONTARIO

Tuesday, December 7, 1982

The House met at 2 p.m.

Prayers.

MEMBERS' PRIVILEGES

Mr. Riddell: Mr. Speaker, I have a point of order or a point of privilege. As you are no doubt aware, last night I was expelled from the House for challenging a statement of the member for Welland-Thorold (Mr. Swart) which was factually incorrect. Reading from the record, the member for Welland-Thorold said:

"There is something that bothers me most of all about the position of the member for Huron-Middlesex. I guess I am not surprised when he comes out in favour of high interest rates for farmers. We are not surprised to have him come out in opposition to the removal of the property tax on agricultural land."

I permitted the member to complete his speech on the part of the estimates that we were dealing with, and then I rose on a point of privilege and, as recorded in Instant Hansard, stated:

"Mr. Riddell: I should not be bothered getting up trying to correct the record, but the former speaker, the member for Welland-Thorold, has said that I advocated high interest rates for the farmer. I am going to tell you, Mr. Chairman, that he has perpetrated an outright untruth because never have I advocated high interest rates for farmers.

"I have said in my speech on Bill 179 that high interest rates happen to be part of a restricted monetary policy."

Mr. Swart: Which you support.

Mr. Ruston: He is starting again, Mr. Speaker.

Mr. Riddell: That is right.

Mr. Speaker, the member for Welland-Thorold then rose on a point of privilege, and said:

"On a point of privilege: I am not sure I heard exactly what the member said on his point of privilege. I rise to say that I quoted from Hansard rather extensively where the member, and as he has now admitted, said that he was supporting high interest rates."

Now get this: "and as he has now admitted." I never admitted in my correction when I got up that I was supporting high interest rates. I said

that high interest rates flow from an anti-inflationary monetary policy, which is a method that governments use to control inflation.

Mr. Swart went on to say, "He supported high interest rates in general."

I rose and said: "Mr. Chairman, I have heard him say this so many times and it definitely is not the truth. He cannot prove anywhere in Hansard where I have advocated high interest rates for farmers or anyone else."

In order to preserve the dignity of the House, I am prepared to withdraw my accusation that the member for Welland-Thorold misrepresented the facts, but I do so not understanding in any way the reason that so often in this Legislature the truth is disregarded and is subject to a penalty whereas the distortions of the truth are very often allowed to go unchecked.

Mr. Speaker: Thank you very much. I am pleased that you have corrected the record, and I accept your withdrawal.

Mr. Ruston: What about the member who accused him? What proof has he got?

Mr. Speaker: There is no recourse, and I am not to be the judge of that, of course.

LEAD ASSESSMENTS

Mr. Martel: On a point of privilege, Mr. Speaker: Last week there was a report in the media concerning lead contamination in a Westinghouse paint shop in Hamilton. In one such article in the Toronto Star on December 3, I am quoted as saying that a report prepared by Dr. Ann Robinson, Assistant Deputy Minister of Labour, is "so erroneous I conclude she set out to be deliberately misleading. She has to go." I am advised that Dr. Robinson has stated unequivocally that her report is accurate, that there was no attempt on her part, deliberate or otherwise, to be misleading and that she deeply resents my remarks as an attack on her personal and professional integrity.

I am prepared to accept that there was no attempt by Dr. Robinson to mislead, deliberately or otherwise, and I apologize for having suggested there was. I make this apology since my remarks imputed improper motives to her conduct, which I now realize was unfair. I

withdraw unreservedly any remarks that may have reflected on the integrity of Dr. Robinson as a public servant.

At the same time I wish to make it clear that the report of November 26, bearing Dr. Robinson's name and released on November 29 by the minister, with respect to lead contamination in the Westinghouse plant contains some statements with which I am in disagreement. I will continue, and my party will continue, to raise fundamental questions about this government's administration of the Occupational Health and Safety Act, most specifically in relation to the Westinghouse plant and throughout the province. We shall continue to hold this government politically accountable for the health and safety of the working people of Ontario.

Hon. Mr. Ramsay: Mr. Speaker, I would like to comment briefly on my friend's statement. I must say that while I was deeply troubled by the attack on Dr. Robinson's integrity, an attack that was published twice in the Toronto Star, I am pleased that my friend has seen fit to tender his unqualified apology. No one finds it easy to admit error, and I therefore wish to emphasize on my own part and on behalf of Dr. Robinson that the member for Sudbury East has taken the honourable course of action in making amends without undue delay.

I can only hope that Dr. Robinson's ability to continue to serve the public of this province has not been impaired by this regrettable incident. However, I do wish to advise the House that she has indicated to me that she is satisfied with the statement made today by my friend and she will not pursue further action against him.

The newspaper responsible for publishing the story has, in my view, a very clear obligation arising out of the statement. Dr. Robinson awaits with understandable interest the response from the Toronto Star flowing from the honourable member's retraction.

2:10 p.m.

STATEMENT BY THE MINISTRY

CHILD SEXUAL ABUSE PROTOCOL

Hon. Mr. Sterling: Mr. Speaker, I would like to inform my colleagues in the Legislature of a new initiative that my office is undertaking. This is the development of a standardized protocol to guide the medical-legal investigations of child sexual abuse.

The child sexual abuse protocol will provide very detailed, step-by-step procedures to be followed by teachers, children's aid society

workers, police, physicians and other professionals, when child sexual abuse is discovered or is suspected. It will set out the specific procedures to be followed to ensure effective, multi-disciplinary co-operation between health, education, justice and social services personnel. It will detail the technical procedures to be followed to ensure the medical and emotional wellbeing of the child. It will also specify procedures for the collection and retention of items for forensic evidence, where this is deemed appropriate.

The development of the child sexual abuse protocol represents a continuation and a major refinement of one of our earlier initiatives, the standardized sexual assault evidence kit. The kit has met with a high degree of success in helping hospitals and police to ensure that proper procedures are followed, both for the medical care of the sexual assault victim and for the collection of forensic evidence. It is designed, however, for use with adult victims and it does not contain any guidelines for the care and treatment of sexually abused children.

Child sexual abuse is particularly difficult to deal with because it often remains hidden, even though it may be suspected by other family members, neighbours and teachers. It also requires a particularly complex response because each case must be approached on the basis of its own particular circumstances.

It is anticipated that the introduction of a standardized protocol will go a long way to dealing with many of the problems that still characterize child sexual abuse cases. Despite recent initiatives by our government, and by community agencies, which have greatly improved the handling of these cases, serious problems still remain. While some of these problems are due to the lack of education and understanding of the nature of child sexual abuse, others are due to the lack of standardized procedures. I believe that the adoption of a protocol would ensure a positive and co-operative approach for all child sexual abuse cases.

It is hoped that the introduction of this protocol will represent a major step forward in helping local communities to deal more effectively with the problem of child sexual abuse. The protocol will be developed and implemented in close consultation with all the relevant agencies. It will provide detailed guidelines for the investigation of child sexual abuse, and for the care and treatment of the child victim. It will also promote the establishment of mechanisms in local communities to build in an

effective approach to these cases. It is believed that such an approach will enable us both to deal effectively with current problems and to prevent future damage to the sexually abused child.

ORAL QUESTIONS

PROVINCIAL AUDITOR'S REPORT

Mr. T. P. Reid: Mr. Speaker, I want to ask a question of the Treasurer about the litany of mismanagement that we have recently received from the new Provincial Auditor.

Incidentally, I have been here 15 years. It is obvious some of us should have thought of a way to quiet down the member for Sudbury East (Mr. Martel) a long time ago.

However, I want to ask the Treasurer—I suppose I may ask a rhetorical question—if he is not embarrassed about what is going on as reported by the Provincial Auditor, given his so-called restraint program. Would the Treasurer have a comment on the fact that of approximately 5,200 employees eligible for merit increases during the 1982 fiscal year, only 22 employees had such increases deferred when he is prepared to hit the people at the other end of the scale?

I will not go on again about the \$44 million being spent on Minaki Lodge to protect an initial loan of \$550,000.

My specific question to the Treasurer relates to the Future Pod at Ontario Place, as reported in the auditor's report. How can he countenance the fact that a \$400,000 contract was awarded without tender to the agency of record sister company—Foster Advertising being the agency of record—something that was cleared, presumably, by the deputy minister without tender, shutting out everybody else in the industry? How can he countenance those things occurring year after year in the auditor's report?

This year the public accounts committee has spent numerous meetings talking about the advertising and the way it is tendered or not tendered in the government. How can the Treasurer countenance that kind of patronage of \$400,000? What does he intend to do about it?

Hon. F. S. Miller: Mr. Speaker, my friend started his comment by saying that only 22 employees did not get "merit increases." I am sure he knows the word "merit" is used when—

Mr. Kerrio: When you are a Tory.

Mr. Speaker: Order.

Hon. F. S. Miller: No, I am talking about civil servants now, many of whom are not members

of our party, if any party. In fact, as the member knows, most of them are very loyal employees of this government.

The fact is that in the classifications of salaries within this province there are, as there are for teachers, increases based on seniority, and those increases are automatic unless a reason is given specifically to require that they not be given. I am not sure that the term "merit" is a very good term for those increases, because they really are seniority increases in most cases.

We have pointed out that just the opposite of what the honourable member inferred is true: that in bringing in the five per cent program we really only prevented merit increases from being given to those people earning salaries in excess of \$35,000 a year; that we are passing it through for the people on the lower end of the scale because we felt they were in greater need; and that if the agreements we have with our employees entitle them to a seniority increase, they will get it. I am sure the member would be the first to say that is proper. Certainly during—

Mr. T. P. Reid: No, I would be the first to say it is wrong, and an all-party committee said it was wrong two years ago. Mind you, there were Tories on that committee.

Mr. Speaker: Order. Do you want to hear the answer?

Hon. F. S. Miller: I feel that probably my colleague the Chairman of Management Board (Mr. McCague) is a better expert than I am to discuss this particular aspect, because I believe the Civil Service Commission comes under him. But if at a later point the member wants to ask him a question, I am sure he will.

With respect to the rest of the auditor's report, my understanding was that we were seen to have done a better job than in many years; that the auditor's report this time around was generally laudatory of government. How could it help being laudatory when it is run by a prescient, compassionate government like ours?

Mr. T. P. Reid: Mr. Speaker, just by way of information for you—

Mr. Speaker: Question, please.

Mr. T. P. Reid: We in the public accounts committee suggested when the government does something right, which is—

Mr. Speaker: Order. You are taking far too long in placing your questions. I will have to ask you to be more brief and precise.

Mr. T. P. Reid: Mr. Speaker, in regard to the Future Pod, how can the Treasurer justify the

\$400,000 contract going without any tenders when the project was approved by the Board of Industrial Leadership and Development or by the cabinet in January and the rationale being given is that it was not until March that they had the funds? How can he justify time after time either Foster or Camp or some emanation of these two companies getting the bulk of the advertising and the contract business in Ontario? And when is he going to bring a halt to it?

Hon. F. S. Miller: Mr. Speaker, with your permission I will refer that question to the Minister of Tourism and Recreation.

2:20 p.m.

Mr. Epp: Pass the buck.

Mr. Roy: Here we go. Can we take notes?

Hon. Mr. Baetz: Go right ahead.

Mr. Speaker: Order.

Hon. Mr. Baetz: Mr. Speaker, there were a number of reasons why Mr. Cooper, a well-known businessman and chairman of the board of directors of Ontario Place, and his entire board decided to place this order with a company called Display Service Co. Ltd. They had to act quickly because they did not know until March 17 that the funds for Future Pod were available.

As the honourable members know, Ontario Place opens on May 12. That indicated the construction had to be fairly well finished by that date because it was to close again after the summer by September 12. If one wanted to have Future Pod as part of that magnificent Ontario Place, one had to move fast.

To delay for another three or four weeks to call for tenders was not felt to be in the best public interest. It was seen as not having due regard for the economy because Future Pod, in addition to being a wonderful tourist attraction is, as the member knows, a wonderful place for displaying the high-tech industry of Ontario. They felt they should not wait for the long drawn-out process of tendering.

As the member opposite probably knows, the other thing is the deputy minister has the power to waive requirements for competitive bidding for technical and consulting work. Anybody who has been to Future Pod and has seen the exhibit there knows this is not an ordinary edifice or ordinary structure; it is a creative place. It included a lot of technical details, drawing and creativity as it was being built. The creative planning and the construction go hand in glove. It was for this reason the acting deputy minister at the time felt he was operating

completely within the guidelines for tendering as set down by Management Board.

Mr. Rae: Mr. Speaker, in light of the absolutely astounding answer from the Minister of Tourism and Recreation, can the Treasurer please tell us whether it is still the policy of this government, when projects of this size, \$400,000, are being planned, to put them up for tender or not? What is the policy of this government with respect to the tendering process?

Hon. F. S. Miller: Mr. Speaker, I think my colleague the Minister of Tourism and Recreation answered that question. The member said it was an astounding program. It was. I thought it was tremendously well received around the province. It is the policy of this government to call tenders.

Mr. T. P. Reid: Does the Minister of Tourism and Recreation not understand he made a complete farce out of Future Pod by saying they did not plan far enough in the future for Future Pod? In other words, they are talking about the future but they had to do it yesterday.

Mr. Speaker: I trust you do have a supplementary question.

Mr. T. P. Reid: That is the most asinine defence I have heard here in a long time. The supplementary question is, will the minister give us a guarantee that there will be no more deputy ministerial or ministerial discretion, that friends of the government will not get these contracts without tender and that this government, which presumably has had 40 years of planning, will plan far enough ahead so we will not get caught in these situations?

Hon. Mr. Baetz: I can assure this House without qualification that for next year's edition of Future Pod there will be plenty of time for competitive bidding because we have now been advised the funds will be available. We will proceed along the normal guidelines set by Management Board.

YOUTH EMPLOYMENT

Mr. Peterson: Mr. Speaker, I have a new question for the Treasurer. Is he wearing the tie of the Provincial Secretary for Resources Development (Mr. Henderson) today? That is not the question. Perhaps it just has his lunch on it. Let me ask the Treasurer a question.

I am sure the Treasurer will remember that in April 1979, when that year's budget was being proposed, the unemployment rate among young people between 15 and 24 was 13.4 per cent, the gross number of unemployed was 142,000 and

the number employed was 914,000. By April 19, 1982, when he was creating his budget for this year, the unemployment rate had risen to 16.2 per cent, the number of unemployed young people had increased by 25,000 and the number employed had fallen by some 43,000.

When one looks at the programs that the Treasurer has applied to youth unemployment, we find that in real terms there has been a cutback of some 16.5 per cent in real dollars. When we take the change in the unemployment factor into account, when we look at the amount of money required to bring that up to meet the contemporary needs in real dollars, it would require a \$41-million increase to come back to the funding level of 1979.

I want to ask this prescient and compassionate minister this question. Would he not feel that it would be a better sense of priorities to spend the \$41 million, which is roughly what he has invested in Minaki Lodge at this time, according to his supportive friend the Provincial Auditor, to solve the problem of youth unemployment in this province which is at record levels today?

Hon. F. S. Miller: Am I allowed to answer the first question first, Mr. Speaker? It is sometimes dark when I put my tie on in the mornings.

Mr. Speaker: That really was not the question.

Hon. F. S. Miller: Besides, it is one my wife bought for me.

Mr. T. P. Reid: Doesn't she like you either?

Mr. Speaker: Order. Now to the question, please.

Hon. F. S. Miller: After 33 years, she has her ways of getting even.

Just as yesterday, I am not sure how the Leader of the Opposition does his arithmetic. It happens that a number of the programs that are administered for youth employment have not seen the same depreciation in their value that a quick calculation would show by using figures like the inflation rates and so on. A good many of them, such as the Ontario youth employment program, have been aimed at supporting the hourly rate paid to young people employed by small business companies around this province, with great success. We have always had a total take-up of that. We have usually had a problem in overspending the OYEP budget, not ever in spending it.

I would argue that the Ontario career action program, which has been very successful, really has not been geared to market rates for employment but has been aimed at allowing young

people to gain experience on the job, recognizing that the salaries they received were not at market rate, but bringing employees who could not find jobs into contact with employers who not only taught them something but who, in many instances, formed an appreciation of the young people's capabilities that led to future employment.

I would argue that the money has been well spent and that there have been increases in it. I am told it was a 14 per cent increase this year in total dollars that were relative to the marketplace and were quite useful. We have always argued we did not try to solve all the employment problems of youth. Several ministers over the past have pointed that out. We do determine that the marketplace has to do some of that. We have done quite a bit.

This has been a tough year for youth because many companies which had to lay off permanent full-time people felt they really could not be in the marketplace offering casual employment to youth when people in the unions or on permanent staff were on short time or laid off totally; so it has been a tough year. Even so, I think our programs were surprisingly successful.

Mr. Peterson: Given all the good things the Treasurer says about these programs, and I agree, why would he cut back the funding level in real terms? In real terms, and I am using 1971 constant dollars, the funding level in 1979 to 1980 was about \$40 million, and in those same constant dollars, given inflation, the minister's funding level today is about \$33 million.

I remind the minister again that I am using 1971 constant dollars; in real terms, therefore, his funding levels have gone down over the past three or four years even though youth unemployment is up dramatically.

2:30 p.m.

I juxtapose that with his commitment to building a lodge in the north for some \$45 million. I ask the minister again, would it not have been a better priority to have not built Minaki Lodge at a cost of about \$45 million, but to have put those funds into youth employment programs in this province?

I remind the minister that, at best, Minaki Lodge will create about 150 seasonal jobs starting from here on in. Does he not think that is a totally misallocated priority for government spending?

Hon. F. S. Miller: No, I do not, Mr. Speaker. My colleague the Minister of Northern Affairs (Mr. Bernier), who has always been a strong

advocate for Minaki, could go on at length about its regional benefits.

I point out that the leader of the New Democratic Party went to Minaki one day in 1977, as I recall—

Hon. Miss Stephenson: He tried to.

Hon. F. S. Miller: He tried to go to Minaki—in an attempt to denigrate the investment that Ontario was making there.

I recommend that the members opposite do the same thing. I recommend that they go up to the north and talk about it. I recommend that they tell the people up there that they think we are wasting our money. I recommend that they tell the people it is not important to have a major destination resort there to catalyse the business for the smaller resorts. I recommend that the members opposite do all those things, because the then leader of the NDP had to retire after he tried it.

Mr. Rae: Mr. Speaker, could I address a supplementary to the Treasurer with respect to the Provincial Auditor's report and youth unemployment as well? I simply say to him that in addition to the misexpenditure on the spending side, the auditor's report has some very important statements to make with respect to the way in which this government collects taxes, in particular the way in which the Tory government collects mining taxes from mining companies, and with respect to mining leases.

Will the Treasurer not agree that if the government collected taxes from the mining companies in the same way it collects taxes from other corporations and from private individuals, that is to say, on the instalment basis, and if the government collected market rates for crown lands in terms of its leases, this would free up and make available to the government a substantial sum of money which could then be put into youth unemployment? Does he agree with that conclusion?

Hon. F. S. Miller: Absolutely not, Mr. Speaker. I suggest that the honourable member take the time, as I did when I was Minister of Natural Resources, to work through the arithmetic of the Mining Tax Act; then he will realize that the tax is applied only to the value of the ore at the pit mouth and not to the rest of the process, and that the calculation of that mining tax sometimes is several years in the appraisal. An assessment is made based upon the company's year-end figures.

Let us go to the member's favourite area, the area of Sudbury. Does he think there is more

money to be obtained today out of Inco on a mining tax? Does he really think so? Does he really think that companies such as Inco and Falconbridge, which cannot even cover the direct costs of producing nickel at today's world prices, have money left over through the Mining Tax Act to put into these programs? No.

The member should be very happy to realize that we have always had a tax on mines that has reflected the profit on the ore which allowed those companies to weather some of the worst years so they could be there in the good years.

Mr. Peterson: By the figures the Treasurer employs in his own job creation programs this year, for \$45 million he could create 6,000 to 7,000 jobs anyway. Will he not agree with me that for his expenditure of \$45 million in Minaki he has created about 150 seasonal jobs at a cost of \$300,667 per job? Will he not also agree with me that he is not getting very much productivity for the dollars expended and that there are far better ways to expend that money to create jobs here in the province?

Hon. F. S. Miller: Mr. Speaker, every so often I get lulled into believing that the fellows opposite are commonsensical people—not that party but the member's party, who really are not that bad. They would be second-class government, but not disastrous government. Then he stands up with arithmetic like that, which makes me all the more determined that this party should stay in power.

The way he does his arithmetic is fascinating. I do not know where he thinks that \$40-odd million, or whatever the figure is, went to. Does he think it went into thin air? Absolutely not. That was spent on jobs right now. The jobs were created in all the trades that were required, and the purchase of goods benefits the contractors in the area, all of whom are employing people now. That is a fact.

This is in a part of the province where we badly need, according to all members, a diversification of the income base. The members often say: "Get off the mines. Get away from the single-industry towns. Get off the forests. Give us something else to do in the north." That is what we are doing with Minaki.

Interjections.

Mr. Speaker: Order, please. I point out to all honourable members that we have spent 24 minutes on the first two questions.

WELFARE PAYMENTS

Mr. Rae: Mr. Speaker, my question is for the

Treasurer as well. It concerns the very dramatic increases in the number of people on welfare in Ontario and the impact that these increases are having on municipal finances. In Waterloo, for example, November figures show a 56 per cent increase over November 1981. In Sudbury, it is a 51.5 per cent increase. In Metropolitan Toronto, there has been a dramatic 150 per cent increase in the number of employables who are on welfare.

Given these figures and given the fact that 20 per cent of the cost of this dramatic increase in welfare payments is coming out of people's property taxes, one of the more regressive forms of taxation in the province at this time, will the Treasurer consider introducing a special program that would place general welfare assistance on the same 50-50 basis that family benefits are currently on, so that the pressure is taken off the municipalities and the property taxes?

Hon. F. S. Miller: Mr. Speaker, the answer in that case again is no, but it is a qualified no. We recognize, and I have heard this from the Minister of Municipal Affairs and Housing (Mr. Bennett) and the Minister of Community and Social Services (Mr. Drea), that there will be municipalities where the base will not be able to carry the 20 per cent. The fact is that they are paying 20 per cent and the other two levels of government are paying 80 per cent. Let us remember that.

The fact is that we are taking over the same pool of taxpayers in this province. I also suggest to my friend that municipalities, because of their closeness to the people in need, have done a commendable job of assessing the real needs of individuals. The moment we make it 100-cent dollars from some other source, their interest in that close analysis will disappear.

Mr. Rae: The Treasurer seems to be saying it is a good thing that some municipalities have a stake in keeping people off the kind of assistance they need to survive. That is a remarkable statement from the Treasurer.

I remind him of the reliance of this government on the work of the private sector. In Sudbury, the United Way goal was \$700,000 and they achieved \$282,000. In Windsor, the goal was \$4.5 million but they have achieved only \$3.5 million. In Hamilton, the goal was \$5.7 million and they have reached only \$4.6 million.

Given that shortfall and given the impact it is going to have on the provision of social services in these communities and in communities across

the province, will the Treasurer not agree that relief to the municipalities on the welfare costs would give these municipalities a stake, not in cutting people off public assistance but in providing a decent level of social services which the private sector is going to be increasingly unable to provide?

2:40 p.m.

Hon. F. S. Miller: Nothing in the remarks I made about the sharing of the costs should be construed in any way to mean that the assistance is not available for people in need. This government will not see that happen because of any municipality's problems. I can assure the member of that.

Mr. Bradley: Mr. Speaker, on Friday I asked the Treasurer almost exactly the same question as the member for York South (Mr. Rae). The slant I want to put on my supplementary to him is as follows.

If the Treasurer is concerned about an overall increase to all municipalities just because we are in difficult times, will he not give consideration perhaps to some unemployment threshold points at which time he would be prepared to add, say, an additional percentage point or two to the amount of money he would provide to the municipalities?

For instance, if they hit a threshold of 14 per cent in unemployment, would he be prepared to assume, instead of the 30 per cent, 32 per cent or 35 per cent of the cost and so on as the unemployment situation gets worse in the community? Will he consider that kind of program as opposed perhaps to a blanket program?

Hon. F. S. Miller: I will be guided by the ministries of Municipal Affairs and Housing and Community and Social Services on that.

Mr. R. F. Johnston: Mr. Speaker, that accounts for his trouble then.

Mr. Boudria: No wonder you're in trouble.

Mr. R. F. Johnston: Yes. I think it is a dangerous precedent for him to be referring to those particular ministries—

Mr. Speaker: Supplementary, please.

Mr. R. F. Johnston: The Treasurer no doubt is aware of complaints and concerns of certain municipalities about the possibility that they will have to cut other discretionary services if they maintain their mandatory payments of welfare, which they have to do.

At this point has he received notification that the region of Durham is quite concerned about its capacity to maintain social services and is

cutting back on family counselling, as is the community of Waterloo?

What is his response to the analysis by Mr. Kruger of the Metropolitan Toronto government when he says their 38 per cent anticipated increase in welfare costs will mean they are probably going to have to cut back on all sorts of other programs? In fact, many programs that would be jointly funded by the United Way and Metro may receive no Metropolitan Toronto funding at all next year if they have to meet these 38 per cent increases.

Hon. F. S. Miller: Mr. Speaker, I have had great confidence in the municipal governments of the province to set their priorities. One would not need them if they did not have the ability to make that appraisal. One would have to look to the track record of this province in its general support for both education and municipal spending and recognize that, in total dollars, the taxes at the municipal level are a smaller part of the family income today than they were some years ago. That is because of our enlightened policies in grants.

I can only say that within that overall grant network, we depend upon them to make those priorities. If it were not so, we would not need them.

SIX NATIONS NURSING HOME

Mr. Rae: Mr. Speaker, my second question is to the Chairman of Management Board. It concerns another example of government cut-backs and it is a question of some real importance to a great many people across the province. I am referring to an apparent decision by Management Board of Cabinet with respect to the construction of a nursing home on the Six Nations reserve.

We understand that the reserve has received Canada Mortgage and Housing Corp. approval for a new 50-bed home, providing for a grant of \$1.5 million, and that this approval is good until December 31. We further understand that the Ministry of Health staff worked for several months to develop the design to meet Ontario regulations.

We also understand that on Friday, the band chief had a conversation with Dr. A. E. Dyer, who is the associate deputy minister for institutional health services. The band were advised on the phone that there was a letter in the mail to them stating that Management Board of Cabinet had not approved any additional nursing home beds for next year and could not

approve the additional 14 beds that would be in the new facility.

Mr. Speaker: Question, please.

Mr. Rae: Can the minister confirm that there has been a decision made by Management Board of Cabinet in the instance of the Six Nations reserve home, that this home will not be given approval by Management Board of Cabinet? Can he indicate whether this is part of a general position by Management Board with respect to the construction of nursing homes in 1983?

Hon. Mr. McCague: Mr. Speaker, I can confirm that this has not been considered by the board.

Mr. Speaker: Supplementary?

Hon. Mr. Davis: There can't be a supplementary. He got his answer.

Mr. Rae: My supplementary question is this: Can the minister indicate to us what the attitude of Management Board is with respect to the construction of nursing homes in Ontario for 1983? Has any decision been taken with respect to that?

Hon. Mr. McCague: We look at everything on its merits. We will be glad to look at that too when it gets to us.

Mr. Nixon: Mr. Speaker, I wonder whether the minister will consider referring the answer to the question to the Minister of Health, since it was one of his assistant deputies who phoned the news to Chief Wellington Staats last Friday. Is that possible?

Hon. Mr. McCague: With the concurrence of the gentleman who asked the question.

Mr. Nixon: I assume we have concurrence. Perhaps the question could be directed to the Minister of Health.

Is it not true that the minister in his own office responded quite positively to Chief Wellington Staats and the members of council, in my presence, having to do with the extension of at least nine nursing home beds, and that the minister had even agreed to come to the Six Nations reserve to preside at the opening of those beds?

Hon. Mr. Davis: You invited me as well, I remember.

Mr. Nixon: Why don't you come on down?

Mr. Breithaupt: There will be enough chiefs.

Mr. Kerrio: Chief to chief.

Mr. Speaker: Order. Do you want to hear this answer?

Hon. Mr. Grossman: Mr. Speaker, under an extraordinary amount of pressure brought to bear on me by the member for Brant-Oxford-Norfolk (Mr. Nixon), I had agreed to appear at the ground-breaking and opening of the new facility. He no doubt felt it might aid his political career if he could get a minister down to the opening.

I did meet with the member for Brant-Oxford-Norfolk, who has been dealing with this matter for some time. He brought Chief Wellington Staats to my office to discuss this matter relating to the time limits put on by CMHC.

We indicated quite positively, as the member for Brant-Oxford-Norfolk has indicated, that we felt it was a good project, but that our current problem was simply that the allocation my colleagues had made to us for this year of 500 new nursing home beds had been totally allocated, and that before we could give commitments with regard to next year we would have to go through the allocation process in this government to see how many nursing home beds, if any, we would be able to fund this coming year.

Mr. Nixon: Additional.

Hon. Mr. Grossman: Additional beds; the member is quite right.

Therefore, in view of the CMHC time limit, we indicated in as clear a way as possible to Chief Staats that we felt he would not be acting recklessly or negligently if he undertook to accept the CMHC funding and proceed with the 50-bed addition. That was a pretty clear indication that whether the additional funding for the additional beds should be accepted by Management Board when I shortly make the submission for the entire province, and whether it is accepted for early next year, late next year or perhaps the following year, the chief will find that excellent proposal is funded by this government somewhere in the next period of time.

Mr. Rae: Mr. Speaker, I just want to tack this down. Will the minister not agree that there is a potential problem here and that the project may not be able to go ahead? CMHC may have its own requirements with respect to approval from Management Board in Ontario. Will the minister not agree that it would be a tragedy if that occurred and that it would represent a loss of jobs as well as a loss of provision of a vital social service on the reserve?

Will he not agree that the process should be speeded up here so the chief can have the clear approval and the go-ahead from Management Board in Ontario with respect to that so they can

be assured of getting CMHC funding to allow that project to go ahead?

2:50 p.m.

Hon. Mr. Grossman: Mr. Speaker, I have received representations from some colleagues of the member for York South (Mr. Rae), from some of mine and from some members of the official opposition with regard to making an exception and approving some nursing home beds now, for next year, even though we have not been through the allocation process. That would be a patently unfair way of doing it and would create all sorts of inequities and pressures which really would not be the right way to operate the system.

I have indicated quite clearly that I am fairly positive we will be able to fund additional beds at some stage of this current fiscal year, the next fiscal year, 1983-84, or the following fiscal year—whenever the additional nursing home funding becomes available.

What we have said clearly is that CMHC should show the same degree of flexibility we are showing so that this does not fall between the rad and the wall. I have read the member's House of Commons debates. I know he has railed against CMHC on several occasions, and I know he or his colleagues have spoken about their inflexibility. We too have let CMHC know that if there is any degree of flexibility we can use to make sure this stays on the rails, and gets completed, we are willing to co-operate.

I know they are ready to go, but in point of fact the time limit being put on is not one that Chief Staats is putting on in isolation. It is one that is imposed on him by CMHC. We have gone a great deal farther than CMHC has in making sure that whatever time limits and impediments might be placed on it do not cause the project to fall off.

In simple terms, I have had all sorts of requests for additional nursing home beds, and I have had to tell each and every one of them that I do not know whether there will be enough money available to fund them. I have told that to everyone, save and except for this one, where I have indicated that somewhere, be it early or late next year or the following year, I am sure funding will be available and will rank very high, if not highest, on the list. Therefore, Chief Staats should feel fairly secure in undertaking this new project with CMHC knowing that—

Mr. Roy: If you do not stop talking—

Mr. Speaker: Order.

Hon. Mr. Grossman: I know the member for Ottawa East is very dedicated. He almost understands what we are talking about, but not quite.

Therefore, Chief Staats should go ahead with the project. In point of fact, because of the representations made to me by the member for Brant-Oxford-Norfolk and because of the dedication of our ministry to that project, the project can be undertaken and the CMHC moneys drawn down.

WORKMEN'S COMPENSATION

Mr. Haggerty: Mr. Speaker, I want to direct a question to the Minister of Labour. As many members of the Legislature are aware, the minister is a dedicated man who has shown concern for his fellow man. As the Legislature hopefully enters into the season of goodwill, can the minister indicate to the Legislature when the government of the day will announce changes in the workmen's compensation benefits to upgrade additional compensation to those permanently injured workers, perhaps in line with the province's guidelines or above them, which perhaps will add a measure of good cheer, and whether it will be retroactive?

Hon. Mr. Ramsay: Mr. Speaker, the legislation has been prepared and it will be up to the House leaders as to when it is introduced. I am very optimistic that it will be introduced before this House rises prior to Christmas. As far as the details of the legislation are concerned, I do not think it would appropriate to indicate those in the House right now. I think the right time is when the bill is introduced.

Mr. Haggerty: Will it be retroactive? I believe it is true that they have not received any increases for approximately the past 18 months.

Hon. Mr. Ramsay: I am not reluctant to give that information; on the other hand, I believe the contents of the legislation should be made public only when introduced in this House.

Mr. Di Santo: Mr. Speaker, in view of the fact that the injured workers have not received any increase in their benefits since July 1, 1981, and in view of the fact that the minister made a statement to the effect that he would introduce legislation that would remedy that, can he tell the House right now that the legislation at least will give benefits backdated to July 1, 1981?

Above all, can the minister make a commitment to the House that, contrary to what the member of the Liberal caucus said, the benefits will not be based on the restraint program, in

view of the fact that injured workers have lost more than 20 per cent since the last increase?

Hon. Mr. Ramsay: Mr. Speaker, the legislation will honour any commitments I have made in this House, and we hope to have that legislation introduced before Christmas.

LEAD ASSESSMENTS

Mr. Martel: Mr. Speaker, I have a question of the Minister of Labour regarding Westinghouse. Given that the lead levels now are known to be 20 times the acceptable level at Westinghouse and given that the Ministry of Labour has had two control orders in there to establish a lead control program, the first on September 15 to be complied with by October 6 and the second on October 28 to be complied with forthwith, neither of which has been complied with, can the minister indicate what action he now intends to take to force a lead control program, since the meeting last Friday at Westinghouse confirmed that there was no control program in place and that no agreement was reached that would result in a lead control program?

Hon. Mr. Ramsay: Mr. Speaker, I am not sure I agree that no decision or agreement was reached as far as a lead program is concerned. There were 22 people at that meeting, eight representing management, eight representing the union and the balance from the Ministry of Labour. I have a complete summary, and I will not read it into the record because it would take too long, but from the report that has been given to me I am pleased with the progress that has been made, and I am optimistic that the matter will be brought under full control in a very short time.

Mr. Rae: Mr. Speaker, in many other aspects of the enforcement of justice, if an order was not complied with in September, an order was not complied with in October and an order was not complied with in November, the inevitable result would be a prosecution by whichever government ministry one wants to name.

Can the minister please tell us why in this instance, as in countless other instances across the province, his ministry has failed and refused to take employers to court and, rather, has relied entirely on this second-chance, third-chance, fourth-chance, fifth-chance procedure?

Why should we believe that Westinghouse will comply now when they did not comply in November, they did not comply in October and they did not comply in September?

Hon. Mr. Ramsay: Mr. Speaker, my answer to that will be short. I am more concerned with getting solutions in the problem areas than I am with taking anybody to court. The wellbeing of the worker is foremost. That is our first priority. After we establish the solution, then I will worry about prosecutions, but not before.

Mr. Wrye: Mr. Speaker, how many meetings is it going to take before the company begins to comply with the orders? Will the minister tell this House right now how much longer he is going to wait before compliance and what he is going to do if he does not have compliance by that date?

Hon. Mr. Ramsay: Mr. Speaker, perhaps the easiest way to answer that question is to send a copy of this report over to the honourable member, which will indicate the definite progress that has been made.

LAKE ONTARIO WATER QUALITY

Hon. Mr. Norton: Mr. Speaker, yesterday during my absence from question period while chairing a meeting of the provincial environment ministers from across Canada, the member for York South (Mr. Rae) directed a question to the Premier (Mr. Davis) relating to the very important issue of the S area dump site in New York state and, in particular, asked whether the government had considered action on the matter of the Hooker Chemicals dump site.

I want to say at the outset that I welcome the interest of the leader of the third party and in particular the implicit support he expressed in his question for the policy of the government with regard to intervention on matters of this nature, particularly as it relates to the statement I made in the House last October, outlining our strategy for dealing with this.

3 p.m.

It is obvious he had not been brought fully up to date by his staff, in that earlier this fall I indicated that on this dump site, the S area site, we had indicated our intention to intervene and had instructed our lawyers in the United States to proceed to prepare the necessary documentation. That has taken place.

I hope the position he has now taken is the new position and the permanent position of the third party in this House, since shortly after my announcement in September there was a press release issued by his caucus attacking the policy and position I had taken, suggesting the intervention was a very dangerous and ill-advised course. The person whom I presume had a hand

in writing that had only a short year ago written a letter to me in her previous incarnation with Pollution Probe, pleading with me to intervene, using the words, "We urge the Ontario government to intervene where the federal government cannot." I hope this is the end of the flip-flopping on the part of that caucus, because I am sure some of the member's colleagues must by now be suffering whiplash from that constant flopping back and forth.

The simple answer is that we do intend to act and we have consistently intervened in the United States, not only in this matter but also in terms of acid precipitation. No other government in this country has intervened to the extent we have and has consistently taken strong positions with good success.

In response to the member's supplementary question, which related, as I recall, to granular activated carbon filters, that is something I have discussed with people who are very knowledgeable in that field and I have also sought advice from our medical advisers on their advisability.

To this time, I have been consistently advised that the very low levels of chemicals that are detected in the water in those areas do not merit such action. We will certainly continue to monitor the situation closely and we will not hesitate to act anywhere in this province where levels appear to be rising and approaching a level medical advisers indicate may be hazardous.

Mr. Rae: If I may ask a question of the minister arising out of that statement, which hardly clarifies the issue—in fact, it raises several new ones—he was not here yesterday so perhaps he has not had a chance to read the question I asked the Premier (Mr. Davis) yesterday. My question had nothing to do with whether the minister was going to intervene or not.

Mr. Speaker: Question please.

Mr. Rae: The approach of the government changes daily.

My question was this: Why has the government of Ontario not filed a separate suit, not sued Hooker Chemicals Co. with respect to its chemical pollution of Lake Ontario? That was the question and I still have not had an answer. The minister has referred to a lengthy process of intervention, which he knows is a totally different process with totally different implications and totally different results for the people of Ontario. My question to the minister and to the Premier was: Why has the government not sued

Hooker Chemicals? We still have not had an answer to that question from the minister today.

Hon. Mr. Norton: One thing the member has failed to indicate is what remedy he would seek in his lawsuit. I suggest our highest priority in matters relating to chemical sites such as that is appropriate remedial action. When there are processes that are available and that are contemporary in terms of consideration being taken at this time, it seems to me the appropriate thing to do is to respond through those processes.

In terms of the kind of language the member's caucus has used, I would use it back, and say that embarking upon action that is divorced from and without the support of all the interests that are basically sharing the concerns we have, would be ill-advised at this time. I suggest if he went off half-cocked on an independent and separate lawsuit he would be up the creek without a paddle before long. The way to approach this is consistently, using the processes that are in place and with the support of the interested parties in the United States. That is the action I have been proposing.

Mr. Kerrio: Mr. Speaker, the minister might be aware of the fact that I asked a supplementary on this very question yesterday. Of course, I would not be satisfied to put filters in to filter out the contaminants as they exist in our waterways. I am more anxious to see what the minister is going to do to clean up the water so we do not have to do those things.

I ask the minister if we would have any kind of case, as it relates to agreements that were made between Canada and the United States just after the turn of the century, as it related to agreements of protecting each other's water and air? Might not Ontario have a case against the US government or New York state under the clean water and clean air laws as it relates to those agreements that were entered into so long ago?

Hon. Mr. Norton: Mr. Speaker, as I indicated last October I believe, and since then as well, we will leave no stone unturned in terms of options. I have asked my legal staff to explore all of those options and to advise me. At the moment there is some discussion taking place on whether, if action were taken under the treaties to which the member refers, it would be open to Ontario or be more appropriate for the Canadian government to take that action.

JOB CREATION

Mr. Sargent: Mr. Speaker, I have a sneaking

suspicion that the Premier (Mr. Davis) chickens out every time I get up—

Mr. Speaker: I would rather you had a question.

Mr. Sargent: —so I always direct my questions to either the Premier or the Treasurer, so I hope I can go to work on the Treasurer.

Mr. Speaker: Now for the question please.

Mr. Sargent: Before I do, I would like to compliment the Minister of Health (Mr. Grossman) on the trauma unit at Sunnybrook under Dr. McMurtry. I think it is one of the finest things in the world and I want to congratulate the government for that.

Mr. Speaker: Now for the question please.

Mr. Sargent: Having said that, today the United States Congress is putting through legislation for five cents a gallon on gasoline to raise billions of dollars for job programs across the United States—a multibillion-dollar massive program for jobs in America. This morning's Wall Street Journal reports that Alberta is going to the market to borrow \$1 billion—as the Treasurer knows, he is shaking his head—to help its people with things like mortgages, while my small businessmen and farmers are dying like flies. May I say that this province belongs to the people of Ontario—

Mr. Speaker: I would rather you asked a question.

Mr. Sargent: I want to build it to the point I am trying to make. The Premier of this province is like a bomber pilot flying high above the clouds. He has no idea of the damage he is creating below or what is happening here.

Mr. Speaker: Question please.

Mr. Sargent: It is time something was done about it. He has no program at all—\$50 million. It is ridiculous.

Mr. Speaker: Question please.

Mr. Sargent: My question is this: He has used the funds of the province to keep his party in power and not for the people of Ontario.

Interjections.

Mr. Speaker: Order please. I recognize the member for Grey-Bruce on the condition that he will place his question.

Mr. Sargent: How can I, when you keep interrupting me all the time? Why don't you sit down for a minute?

Mr. Speaker: And now for the question.

Mr. Sargent: For 35 years we have heard horror stories here and we are getting fed up.

We want to know why we cannot get some action for the people of Ontario.

3:10 p.m.

Hon. F. S. Miller: Mr. Speaker, I am not sure my friend, and he truly is my friend—

Hon. Mr. Ashe: He is?

Hon. F. S. Miller: Yes, he is. I am not sure he would want me to raise the gasoline taxes. I have heard from the front benches of his party that they are already too high. I am astounded that a province as wealthy as Alberta has had to go cap in hand to borrow money, because in trying to run that province it is already spending twice as much per person as we are. I can only say we run ours very well and on a relative basis we do a much better job. One of the best ways to create jobs is to leave money in the pockets of taxpayers so that they can make a free choice themselves.

Mr. Sargent: I will make it pretty simple for the Treasurer. Will he tell us, without any stickhandling, what he thinks is more important to people in Ontario: the government's investment of \$650 million in Suncor, or jobs for the people of Ontario? That he can turn around, as well as the \$7.5-billion deal with Denison Mines. He can turn that around too. Let the Treasurer tell us, what is more important to him?

Hon. F. S. Miller: My friend knows they are not either/or matters. We are doing a good job.

The member was going to quote Mr. Axworthy in Hansard when he got cut off there—cut off the reading, that is. The member was going to tell us—

Mr. J. A. Reed: It is costing us \$100 million a year in Suncor. Let's hear more about Suncor.

Mr. Speaker: Order. That was not the question.

Hon. F. S. Miller: My colleague on Friday did an admirable job of telling members about Suncor and I am sure it is indelibly emblazoned in the minds, if there is a mind—

Mr. Speaker: Thank you. The member for Algoma, new question.

Mr. Sargent: What is more important?

Mr. Speaker: I think he answered it, with all respect.

RADON LEVELS IN BLIND RIVER HOUSES

Mr. Wildman: Mr. Speaker, I have a question for the Minister of Labour. I appreciate the written answer the minister gave me, confirming that 25 per cent of the homes in Blind River that were tested were above the 0.02 working level standard for radon daughters for underground uranium workers. Could the minister

explain why the letter that was sent to the home owners whose homes were above that standard appears to leave the discretion for retrofitting simply to the home owner?

It says: "However, it might still be advisable to avoid spending long periods in the basement such as by using it as a regular sleeping area. Another approach would be to reduce the level of radon daughters by providing additional ventilation in the basement." And further: "Any remedial measures such as additional ventilation would be required to be undertaken at your expense."

Why is the minister not considering providing funding or at least approaching Atomic Energy of Canada Ltd. to provide funding, as it did for retrofitting in Elliot Lake?

Hon. Mr. Ramsay: Mr. Speaker, it is my understanding that no decision has been made with respect to any subsidies for the home owners. Therefore, it was not appropriate for me to make any commitment in the letter that went out to the home owners.

PETITIONS

MUNICIPALITY OF METROPOLITAN TORONTO AMENDMENT BILL

Mr. Kerrio: Mr. Speaker, I have a petition to the Lieutenant Governor and the Legislative Assembly of Ontario, which reads as follows: "We, the undersigned, beg leave to petition the Parliament of Ontario as follows: We request that honourable members seek the withdrawal of Bill 127, An Act to amend the Municipality of Metropolitan Toronto Act."

In addition to presenting this petition on behalf of the people named herein, Mr. Speaker, I would like you to know that many of them are from Welland-Thorold. I am happy to represent those good people from Welland-Thorold in presenting this petition.

Mr. Cunningham: Mr. Speaker, I have petition to the Lieutenant Governor and the Legislative Assembly of Ontario, which reads as follows: "We, the undersigned, beg leave to petition the Parliament of Ontario as follows: We request that the honourable members seek the withdrawal of Bill 127, An Act to amend the Municipality of Metropolitan Toronto Act." I support the petition.

Mr. Speaker: Order, please. May I have the co-operation of everybody in carrying on their private conversations outside the House rather than here?

Mr. Epp: Mr. Speaker, I have a petition to the Lieutenant Governor and the Legislative Assembly of Ontario, which reads: "We, the undersigned, beg leave to petition the Parliament of Ontario as follows: We request that honourable members seek the withdrawal of Bill 127, An Act to amend the Municipality of Metropolitan Toronto Act."

As my colleague has pointed out, I have some names from Cambridge, outside my own riding. I am pleased to represent those people.

Mr. Barlow: Mr. Speaker, I was just ready to leave when my friend mentioned the name Cambridge. I would like to advise him that the petition I submitted had signatures from both Kitchener and Waterloo and I was pleased to submit those.

REPORT

STANDING COMMITTEE ON PROCEDURAL AFFAIRS

Mr. Kerr from the standing committee on procedural affairs presented the committee's sixth report on agencies, boards and commissions and moved its adoption.

Mr. Kerr: Mr. Speaker, the standing committee on procedural affairs considered five agencies in September 1982: the Wolf Damage Assessment Board, the Art Gallery of Ontario, the Civil Service Commission, the Commission on Election Contributions and Expenses and the Ontario Land Corp.

On motion by Mr. Kerr, the debate was adjourned.

INTRODUCTION OF BILLS

BETH SHOLOM SYNAGOGUE ACT

Mr. Rotenberg moved, seconded by Mr. Williams, first reading of Bill Pr51, An Act to revive Beth Sholom Synagogue.

Motion agreed to.

CITY OF OTTAWA ACT

Mr. Roy moved, seconded by Mr. Conway, first reading of Bill Pr27, An Act respecting the City of Ottawa.

Motion agreed to.

MOTION TO SET ASIDE ORDINARY BUSINESS

Mr. R. F. Johnston moved, seconded by Mr. Foulds, pursuant to standing order 34(a) that the ordinary business of the House be set aside in order to debate the following matter of urgent

public importance: that the impact of the dramatic increases in the welfare rolls as of November 30, 1982, and impending further increases in December and January threatens the capacity of municipal governments to deliver adequate services in this recession period.

3:20 p.m.

Mr. Speaker: I would like to advise all honourable members that the motion was received in time, it is in order and I shall be pleased to listen to the member for up to five minutes as to why he thinks the ordinary business of the House should be set aside.

Mr. R. F. Johnston: Mr. Speaker, I gather you are ruling it in order. I am very pleased to hear it.

Mr. Speaker: Just to clear up any mistaken impression, the notice has been received in order, not the motion.

Mr. R. F. Johnston: I see.

Mr. Speaker: We will decide that later.

Mr. R. F. Johnston: I was wondering.

Mr. Speaker, I rise at this time because the November statistics on the welfare rolls in the various municipalities across Ontario are starting to come in and because they are showing a continuing dramatic increase in the numbers of people on welfare. We are starting to hear of difficulties municipalities are going to have, not only in meeting this mandatory requirement but also in providing the services necessary in a time of recession to cushion the blow of recession for people in their communities.

In Sudbury, the increase over last year is 51 per cent, as my leader said in question period. They are projecting a further increase of 40 per cent on top of that in the first four months of the year coming up. In Waterloo, the increase is 56 per cent and they are projecting a further increase of 33 per cent next year.

It is important to note that in the last month alone the number of people on welfare has increased in the Waterloo region by 8.6 per cent. Windsor has already been hard hit. They thought two years ago that they had hit record levels, but they are up 23 per cent this year. That is the highest level in Windsor since 1938. They also had an increase last month of 7.5 per cent in the number of people on welfare.

The case of Metropolitan Toronto has been well documented: a 150 per cent increase in the employables and 30,000 people on welfare at this time. In Cornwall, the increase has been 21 per cent in the last 10 months. In Thunder Bay, there has been an increase of 42 per cent of the

single employables. In Hamilton, there are 7,000 people on welfare now, with projections that this number is to be very much increased in the next number of months.

The difficulty is that the property tax has to pick up the cost of this, and the property tax can no longer bear that burden. It is a mandatory cost that has to be picked up by the municipalities. They have no choice in the matter.

But tough times require other kinds of support to people, and those discretionary programs are in danger of being axed across Ontario as municipalities try to meet their welfare payments while not increasing their taxes by more than five per cent, as they have been instructed by this government across the way.

That is why the region of Durham is crying out for some help from this government. That is why Waterloo and Durham are cutting back in their family services counselling capacity. That is why Metropolitan Toronto is looking at ways to cut back on improvements to the homes for the aged that we learned about last year and saying: "We cannot rush that. We cannot go for day care increases. We have to hold back in discretionary funding."

In fact, Mr. Kruger has said in Metropolitan Toronto that there may be groups out there in the community that will not be receiving any funds at all from Metro Toronto this next year and that will, therefore, be reliant solely on the United Way.

What is happening, of course, with the United Appeal across the province was also outlined by my leader. In places like Sudbury they have achieved \$282,000, whereas they projected a need for \$700,000. That is going to mean a dramatic underfunding of those programs, and the municipality is not going to be able to help them, since the municipality will not have the funds because they have to go into the mandatory welfare cost. That municipality needs help.

The same thing goes for Peterborough. This is the first year in which they have not made their projected target in the last 10 years. In Windsor, there is a shortfall of \$1 million so far in the United Appeal and, as I have already indicated, they are suffering terribly under the increased numbers of people on the welfare rolls.

In Hamilton, there is a \$1-million-plus shortfall projected at this point and the director of the United Way has told us he believes the chances are good that many agencies will suffer cutbacks. They cannot suffer those cutbacks

this year; it is impossible. We can help each of these communities right now just by making up the difference between what its costs for welfare were last year and what they are this year.

For \$15 million or less, by intervention by this government right now, we could guarantee that those extra costs of welfare would be assumed and that these municipalities would be able to support those social agencies in giving extra support in our society during these hard times.

We are at the end of this session and it is vital that the government makes some statement immediately that it will take action in this area. That is why we need to debate this issue today, to draw attention to this major concern in our province.

Mr. Boudria: Mr. Speaker, I rise to support the resolution of the motion from the member for Scarborough West. As I indicated in this House nearly two weeks ago, we had noticed that our own area of eastern Ontario was experiencing exactly those problems at that time, and we announced it very clearly then.

We now see that the problem is even more widespread than I had anticipated. The phenomena of the shrinking municipal tax base and the growing welfare rolls are happening simultaneously. What is most troubling about this, using the case of the municipalities in my own area—the city of Hawkesbury, for instance—is that if the Canadian International Paper Co. plant there is dismantled, the tax base will be reduced by 20 per cent at the same time as 15 per cent of its work force is added to the unemployment rolls and subsequently to the welfare rolls because there are no jobs.

Amidst all of this we listened earlier this year to the Minister of Municipal Affairs and Housing (Mr. Bennett) addressing the Association of Municipalities of Ontario and telling them not to expect any increases beyond the inflation rate in the coming year. I would like to remind the minister that the welfare rolls do not grow with the cost of living index or the inflation rate or any other factor. They grow with unemployment, and that is a phenomenon we have to live with.

The increases we see there have nothing to do with the statistics the Minister of Municipal Affairs and Housing announced at that time. It is troubling indeed to see that the Minister of Community and Social Services (Mr. Drea) earlier this year announced increases in welfare that were very small; 75 per cent of welfare recipients received little or no increase at all, and the reason the increases were so small is

that everybody realized at the time that the municipalities were going to have to foot a large part of that bill, almost as much as the province does, and that they were in no position to be able to afford it. It is all coming home to roost now.

As the situation gets worse and worse, the municipalities have to cut some voluntary programs in order to pay for their unduly large share of welfare payments for this province. Meanwhile, the Minister of Municipal Affairs and Housing is not giving any hope to the municipalities of this province that they will get special assistance in this kind of situation.

The member for Essex North (Mr. Ruston) stated in the last election that there should be a threshold and that when we get beyond that threshold municipalities should receive special assistance. The member for St. Catharines (Mr. Bradley), who represents an area that has an unemployment rate of 19.1 per cent, raised the issue contained in the motion last Friday, and again today in question period he suggested that the province should assume a greater percentage of the cost of welfare and other social services in those municipalities hit particularly hard by unemployment, since to go to the municipal property taxpayers in an area ravaged by the recession would be both economically unwise and unfair. To tax social services by the acre is an absolutely ridiculous situation given the economic context we live in now.

We see a shrinking tax base and an increased welfare and social services load. I guess the ministers of the crown and the government are caucusing right now to see who will be speaking on behalf of the government on this issue. We now hear that it is the Minister of Community and Social Services, and I certainly hope that in his address he recognizes, being the person who is so concerned about welfare and the social services of this province, that he will allow the emergency debate to go on so that we can all participate in a very full discussion of this very important issue.

3:30 p.m.

Hon. Mr. Drea: I find the sudden interest in social assistance rather remarkable. Neither one of the critics has bothered to ask me a question about social service payments, in terms of dollars, case load or anything else, in weeks.

Mr. Breagh: Why would they do that?

Mr. Nixon: The minister was not here.

Mr. Speaker: Order.

Hon. Mr. Drea: I rather expect that the reason they raised anything today is they did not think I would be here.

Mr. Boudria: He does not show up. How can we ask him?

Mr. Nixon: The Provincial Secretary for Social Development (Mrs. Birch) answers his questions anyway.

Mr. Speaker: Order.

Mr. Riddell: You created a hardship on the developmentally handicapped people, that is for sure.

Hon. Mr. Drea: That member said last week that he was producing 731 confidential letters to me. He produced 237 of which more than 161 were written by one person. That is his level of credibility.

Mr. Riddell: It is time you met with the people of Goderich.

Hon. Mr. Drea: That is what he did last week. I do not want to take any more of the five minutes on that.

Mr. Speaker: Speak to the motion, please.

Mr. Riddell: The letters were sealed and I had no idea of their contents.

Hon. Mr. Drea: The member was had as he always is.

Mr. Speaker: Will the member for Huron-Middlesex please contain himself. Order.

Mr. Riddell: The minister should go down and tell the people that.

Hon. Mr. Drea: I just did.

With regard to social assistance in this province, there is no question that the impact of the recession has brought about, in terms of the amounts that have to be paid, both to the individuals who have exhausted their unemployment insurance and to those who have never qualified for unemployment insurance, a burden upon the municipalities, a burden upon the province and indeed, after my meeting last week with the federal minister, a burden upon the federal government.

Mr. Nixon: Madam Bégin is great.

Interjection.

Hon. Mr. Drea: I would like to tell the member for London North (Mr. Van Horne) who wanted more dollars for social assistance. That was him opening his mouth, was it not?

Mr. Van Horne: The minister has the wrong member.

Hon. Mr. Drea: There is no question the

matter is serious. However, since the beginning of this summer, this government has anticipated the seriousness of the matter.

In November we produced a recession package of \$52 million which was specifically aimed at the months of December, January, February and March. Part and parcel of that was an extraordinary approach that involved the churches in the downtown core of Toronto being able to provide supplementary assistance, particularly to transients and to families. That has already spread into Hamilton where there have been meetings with the regional council.

There is no question, this has an impact upon the property taxpayers. However, I ask either of the people who want 100 cents on the dollar paid by the province and the federal government, if the municipalities in turn will cut their tax rate. They will not and the members know it.

I have been in consultation with the municipalities of this province, the regional governments, the counties and the townships and some individual municipalities that still administer their own social assistance. They have assured me they are capable of meeting the welfare demands this winter. With the exception of some smaller ones, not one of them has asked for additional payments or a new type of formula.

It seems to me the fundamental question now is, do we want to take away from the job creation programs of the Treasurer (Mr. F. S. Miller) and the federal government, and the Treasurer by himself, and instead take that amount of money and put it into welfare where there is no guarantee—in fact, I can guarantee there will be no change in relief to the property taxpayers.

Mr. Speaker: The minister's time has expired.

Having listened intently and with great care to the propositions put forward by the three members, I must advise the House that I do find, in my opinion, the motion is in order and does comply with standing order 34(a). Therefore, the question before the House is, shall the debate proceed?

3:55 p.m.

The House divided on Mr. R. F. Johnston's motion, which was negatived on the following vote:

Ayes

Allen, Boudria, Breaugh, Breithaupt, Bryden, Cassidy, Charlton, Conway, Cooke, Cunningham, Eakins, Edighoffer, Elston, Epp, Foulds, Grande, Haggerty, Johnston, R. F., Mackenzie,

Martel, McClellan, McGuigan, McKessock, Miller, G. I.;

Newman, Nixon, Peterson, Philip, Rae, Reed, J. A., Reid, T. P., Renwick, Riddell, Roy, Ruprecht, Ruston, Samis, Sargent, Spensieri, Sweeney, Van Horne, Wildman, Worton, Wrye.

Nays

Andrewes, Ashe, Baetz, Barlow, Bennett, Bernier, Birch, Brandt, Cousens, Cureatz, Davis, Dean, Drea, Eaton, Elgie, Eves, Fish, Gillies, Gordon, Gregory, Grossman, Havrot, Hennessy, Hodgson, Johnson, J. M., Jones, Kells, Kennedy, Kerr, Kolyn, Lane, Leluk, MacQuarrie, McCaffrey, McCague, McLean, McNeil, Miller, F. S., Mitchell;

Norton, Piché, Pollock, Pope, Ramsay, Robinson, Rotenberg, Runciman, Scrivener, Sheppard, Shymko, Snow, Stephenson, B. M., Sterling, Stevenson, K. R., Taylor, G. W., Taylor, J. A., Timbrell, Treleaven, Villeneuve, Watson, Welch, Wells, Williams, Wiseman, Yakabuski.

Ayes 44; nays 65.

ANSWERS TO QUESTIONS ON NOTICE PAPER

Hon. Mr. Gregory: Mr. Speaker, before the orders of the day I wish to table the answers to questions 513, 514, 515, 516, 517, 519, 520, 521, 522, 616, 644, 645, 646, 666, 667, 668, 669, 671, 672, 673 and 674 standing on the Notice Paper and the response to a petition presented to the Legislature, sessional paper 270 [see Hansard for Friday, December 10].

4 p.m.

ORDERS OF THE DAY

CITY OF CHATHAM ACT

Mr. Watson moved second reading of Bill Pr28, An Act respecting the City of Chatham.

Motion agreed to.

Third reading also agreed to on motion.

CITY OF HAMILTON ACT

Mr. Charlton moved second reading of Bill Pr29, An Act respecting the City of Hamilton.

Motion agreed to.

Third reading also agreed to on motion.

CITY OF SARNIA FOUNDATION ACT

Mr. Brandt moved second reading of Bill

Pr35, An Act to incorporate the City of Sarnia Foundation.

Motion agreed to.

Third reading also agreed to on motion.

TOWN OF STRATHROY ACT

Mr. McNeil moved second reading of Bill Pr38, An Act respecting the Town of Strathroy.

Motion agreed to.

Third reading also agreed to on motion.

CEEPHIL INVESTMENTS LTD. ACT

Mr. Rotenberg moved second reading of Bill Pr40, An Act to revive Ceephil Investments Ltd.

Motion agreed to.

Third reading also agreed to on motion.

TOWNSHIP OF TINY ACT

Mr. McLean moved second reading of Bill Pr41, An Act respecting the Township of Tiny.

Motion agreed to.

Third reading also agreed to on motion.

CITY OF BURLINGTON ACT

Mr. Kerr moved second reading of Bill Pr43, An Act respecting the City of Burlington.

Motion agreed to.

Third reading also agreed to on motion.

TORONTO BAPTIST SEMINARY ACT

Ms. Fish moved second reading of Bill Pr44, An Act respecting the Toronto Baptist Seminary.

Motion agreed to.

Third reading also agreed to on motion.

ONTARIO BIBLE COLLEGE AND ONTARIO THEOLOGICAL SEMINARY ACT

Mr. Williams moved second reading of Bill Pr45, An Act respecting Ontario Bible College and Ontario Theological Seminary.

Motion agreed to.

Third reading also agreed to on motion.

CITY OF ORILLIA ACT

Mr. McLean moved second reading of Bill Pr46, An Act respecting the City of Orillia.

Motion agreed to.

Third reading also agreed to on motion.

UKRAINIAN CULTURAL CENTRE ACT

Mr. Shymko moves second reading of Bill

Pr47, An Act respecting the Ukrainian Cultural Centre.

Mr. Haggerty: Mr. Speaker, may I address myself to this bill?

I wanted to bring to the honourable member's attention that I raised a matter in the standing committee on general government dealing with this bill. I have some concern about the type of legislation the government is bringing forward. My comments are not intended to be prejudiced, but I do want to—

Mr. Speaker: I must point out to the honourable member that this is not a government bill.

Mr. Haggerty: It is a private member's bill, but I wanted information as to the intent of the government in bringing in general legislation that would cover this under some other bill.

Mr. Speaker: I am not sure the member for High Park-Swansea (Mr. Shymko) could respond to that.

Mr. Haggerty: No, but I would like to continue with my comments.

Mr. Speaker: The member wants to make some observations.

Mr. Haggerty: I want to make some observations about the bill and its intent.

Mr. Speaker: All right. Carry on.

Mr. Haggerty: Thank you, Mr. Speaker. I drew to the attention of the committee members, and some of the members agreed with me, that we seem to be setting a precedent here that members now will be bringing forward private members' bills in this area. I recall under the Municipal Act there is an area where the Royal Canadian Legion was given some leeway in that municipalities—

Mr. Speaker: I call the member to order again. It is not a private member's bill either. It is a private bill. The applicant is not the member.

Mr. Haggerty: Mr. Speaker, you are asking me to concur with the voting on it. Surely I should have a right to comment.

Mr. Speaker: I am not saying the member does not have a right to speak on it. I am just correcting any false impressions he may have. It is a private bill.

Mr. Haggerty: The point I am making is that it is a private bill, and that it seems we have been bringing forward a number of bills in this area recently allowing certain tax exemptions to real property, particularly for cultural centres of that nature. I mentioned the Royal Canadian

Legion. Under the Municipal Act, they have always had the right to apply to municipal council for tax exemptions on real property. Of course, they had to pay for the hard-core services such as water and sewage services.

I am not opposed to the bill, but I think it is time the House had a clear-cut policy from the government on its intention to bring in broader legislation that would cover every municipality in the area without having each individual come forward with a private bill.

I know it may cause some difficulties with local councils which may not like a bill of this nature pushed upon them—I do not know whether it has been concurred in by them or not—but I suggest it is an area where the government should be coming forward with a clear-cut policy on the direction it wants to move at a time of difficulty when municipalities are doing some soul-searching themselves to find where their next tax dollar is going to come from.

4:10 p.m.

I can see that it may cause some difficulties, and I can cite communities in my area in the riding of Erie where 10 different groups can come in and ask for tax rebates on real property. It may cause problems; so I suggest it is time for the government to move into this area and bring in a clear-cut policy so that we do not have to have a private bill once every year. I feel there should be legislation applied across the board so that every municipality can make this decision itself at the local council level.

I still think the bill is good. It says the local council may bring in a bylaw to exempt property taxes on that base. I think this is good, but I suggest it should be province-wide.

Mr. Ruprecht: Mr. Speaker, while I appreciate the remarks of my honourable colleague, let me simply point out that I know the officers of the Ukrainian Cultural Centre quite well, and I know of the terrific programs they have. Our party will certainly vote in favour of this bill, and I hope it will be passed unanimously.

Motion agreed to.

Third reading also agreed to on motion.

Mr. Speaker: Has the member for Scarborough West an affliction? A point of order?

Mr. R. F. Johnston: No. First, a point of privilege—no, I will let that pass, Mr. Speaker.

In the absence of Ms. Fish, I wish to move second reading of Bill Pr13—in the spirit of co-operation we have got here today—An Act respecting the City of Toronto.

Mr. Speaker: It is not on the Order Paper, I must point out.

House in committee of the whole.

INFLATION RESTRAINT ACT

(continued)

Resuming consideration of Bill 179, An Act respecting the Restraint of Compensation in the Public Sector of Ontario and the Monitoring of Inflationary Conditions in the Economy of the Province.

The Deputy Chairman: We have completed the amendment that had been presented by the member for York South (Mr. Rae), and we are on clause 1(a).

Mr. Philip: Mr. Chairman, clause 1(a) gives the definition of the board, and it says, "Board" means the Inflation Restraint Board." We will be voting against this clause. We feel that to use the word "board" to designate an Inflation Restraint Board in the context in which it is used in this bill is no more real than the shadows were in Plato's cave. It is a device that creates the illusion of reality, an illusion of doing something in a concrete and real way; but when one examines it, the reality disappears into the vapours and shadows, as happened in Plato's cave.

Clause 1(a) is really doublethink, in the same way in which 1984 dealt with it. It is a way, through the use of fancy words, of perpetrating a fraud on the public. It is an advertising fraud. It is a fraud that gives people the illusion that somehow this bill is dealing in a concrete way with the problems of inflation. If the word "inflation" were removed, one might be able to look at this and see exactly what it is. It is really a wage restraint board. It has very little, if anything at all, to do with inflation.

When one looks at a principal area the average person in this city and province is faced with in terms of inflation, namely, the cost of housing and rents, one sees that this bill completely exempts that kind of inflation; it specifically exempts the review of rent. Therefore, to talk about an Inflation Restraint Board that does not deal with some of the basic problems we are faced with as consumers is to perpetrate a fraud on the public.

Specifically, this government has failed to launch a full public inquiry into the sale and subsequent resale of nearly 11,000 units in Toronto owned by Cadillac Fairview, despite evidence of massive profiteering and misleading

information being given to a minister of the crown by private financial interests.

We in this party outlined to the minister in very specific terms what could be done to deal with not just the Cadillac problem but also the problem of the constant flipping and speculation in apartment buildings in this city. Yet this act exempts that kind of inquiry. That might be acceptable if the minister had brought in other legislation we had suggested time and again over the past few years to deal with these problems, but he has not done so.

I find it impossible, therefore, to vote for something that pretends to be what it is not. This government, despite evidence of the need for such measures, sets private financial interests ahead of the consumer.

It has imposed a set of rent review guidelines that continue to impose on tenants the cost of speculation and intolerably high interest rates. It has failed to introduce legislation to embody the principle that comprehensive, and not just temporary, rent review and rent control or a fight against that form of inflation will be a permanent part of the legal and economic landscape of Ontario.

It has also failed to introduce a speculation tax on the speculative transfer of land and housing. That is not contained in this bill. Nor will this board have the power to investigate the role of speculation in Ontario on creating inflation. This board, which is called an Inflation Restraint Board, will not have that kind of investigative power and, therefore, we find it impossible to vote for it. It will not even be able to measure whether a speculation tax as we have proposed would have any effect on the inflation of rental or housing accommodation costs.

This government has conducted fire sales of lands previously purchased and banked by the government that could have been used as a lever against inflation in the housing market. Yet this board again will not have any power to look at that. This government has failed to recognize that shelter is too precious and important a human need to be left to the caprice of the speculator and the whim of the marketplace which has created such inflationary problems.

To call this board an Inflation Restraint Board is simply nonsense. The name tries to create in the public mind the idea that somehow this bill is dealing with inflation when, in fact, it avoids some of the principle issues in the inflationary cycle. This is not a new problem to this government. Ontario tenants are in trouble because the Conservative government and the

Liberals have constantly blocked efforts to write the kind of protective legislation that would make us able to accept the Inflation Restraint Board as it is defined in this act.

4:20 p.m.

I remind members that in June 1978 our party filed a dissent to the report of the standing committee on general government on rent review, specifically focusing on the inflation problem caused by refinancing. At that time, we pointed out, and I read: "Point number 6(b), sub 7, in the report allows a pass-through of financing cost that result from the sale of property." In our position, we argued that the rent review program should be neutral with respect to the way a building is financed. "The inclusion of financing costs for pass-through is a major loophole in the present program, and we do not feel that the committee's position is adequate to close it." This board will not have that power to close it either. The Liberals and Conservatives did not accept our position in 1978 when we filed that minority report.

On November 4, 1976, we moved an amendment to the Corporations Information Act which would have required disclosure of information about any corporation in which a company held more than a five per cent interest. The Conservatives and the Liberals voted against this amendment. I wonder whether this act would have been necessary, at least from the point of view of the Cadillac tenants and a few others who have suffered from the recent flips and speculation in the housing market, if that amendment had been passed.

We pointed out at that time, and we had it from fairly good sources in the real estate industry, that there was a considerable amount of offshore money flipping buildings and speculating in the Toronto, Hamilton and Ottawa areas. We had reports that similar money was going into Montreal and had earlier gone into Vancouver, perhaps to an even larger extent.

Yet in spite of this, in spite of the fact that tenant groups, and indeed MPPs appearing on behalf of tenants before rent review boards, constantly were suspicious of transactions that were not at arm's length or were suspected of not being at arm's length, and in spite of the fact that we pointed out over and over again to the government that the offshore ownership of these properties made it more difficult to trace those kinds of non-arm's-length dealings, the government did nothing about it.

On November 4, 1976, as I stated, the Conservatives and Liberals voted against our amend-

ment, which would have made it more possible to obtain that kind of information.

We strongly suspect that with the new legislation the minister is building in, his argument will be that the reason he does not need rental accommodation or the inflationary problems of tenants under this bill and under this board is that he has brought in new legislation that will deal with the problem. Of course, it will not deal with the problem. It will not deal with the problem of the buildings that have already been flipped to a large extent, sometimes more than twice, before October of this year. It will not deal with the problem of who really owns those buildings.

I was at a rent review hearing the other day in which the rent review officer asked the company to reveal the owner, the principals, in the building—

Mr. Chairman: Will you help me for a moment? I have listened to the past five minutes. Bring me up to date on how this comes into clause 1(a).

Mr. Philip: Are we flipping chairmen again?

Mr. Chairman: Yes, we are.

Mr. Philip: Oh, that is why. Okay. I explained it to the previous chairman and he understood the point.

Mr. Chairman: Was the minister here previously?

Mr. Philip: No, the minister was not here.

Mr. Chairman: No. I meant the Minister of Consumer and Commercial Relations.

Mr. Philip: No, the minister was not there; it was the chairman who was there.

Mr. Chairman: I know, but I want you to continue to explain it to me.

Mr. Philip: That is what I am trying to do. As I explained to the previous chairman—and I will be happy to go over it with you—the reason we are not voting for clause 1(a) is that it defines board as an Inflation Restraint Board. What we are saying, in no uncertain terms, is that there is nothing in terms of restraint and nothing in terms of fighting inflation on this board.

In terms of the very basic problem, namely, the inflation of housing and rental accommodation costs, in this clause 1(a) the board will have no power and no control over that. It is for that reason that we are compelled to say the minister is simply playing with words. He calls the board an Inflation Restraint Board when, in fact, a major part of inflation is not being dealt with under that board.

I was in the process of trying to go through

some of the proposals we have made over the years that would have made this acceptable to us. It would have made it perfectly acceptable for us to vote for a board meaning an Inflation Restraint Board if it had included these kinds of powers.

Then I went on to say that part of the minister's argument will be that he is bringing in new legislation, Bill 198, and that is why he will want us to say, "Well, even though it is not covered here in clause 1(a), it is covered in Bill 198."

Is the new bill numbered 198?

Hon. Mr. Elgie: I am not going to help you. You are on your own. Do the best you can.

Mr. Philip: I am sure that if the minister waits around for another hour and a half, he will find I have not done all that bad a job by six o'clock.

Hon. Mr. Elgie: I have had reason to admire your lengthy speeches in the past.

Mr. Philip: I always enjoy this minister's interjections, because he interjects in an appropriate spirit. If there is one good thing I can say about this minister—

Mr. Cooke: Which minister?

Mr. Philip: The Minister of Consumer and Commercial Relations. I have the responsibility of shadowing three ministers, but when I talk about the Minister of Consumer and Commercial Relations, I always talk with a certain amount of admiration and camaraderie, unlike certain other ministers whom I may have to shadow.

As I was saying, though, there is one good thing I can say about that minister—I cannot think of it at the moment, but if I do, I will tell him later on. I have said to him in the past that there are only three weaknesses in most of the bills he introduces. Those weaknesses are the beginning, the middle and the end.

In any case, back to this amendment, which is what you asked me about.

Mr. Chairman: Amendment? No, the section.

Mr. Philip: As I was saying, if the amendment had passed, much of the mystery surrounding the Greymac deals would not have been a mystery. In fact, it may well have been that those who wanted to take part in that kind of activity would have been dissuaded from doing so.

I remind the House that on December 11, 1975, we in the New Democratic Party moved amendments to restrict the cost pass-throughs to unavoidable increases in financial costs. As I

remind the Chairman, because he was not a member of the House at that time, for the purposes of the act increases in cost shall be deemed to mean increases in maintenance, heating, supervision and utility costs and other appropriate operating costs as prescribed by the regulations, the reasonably amortized costs of rehabilitation where such costs do not result from work orders issued under municipal housing standards bylaws and increases in financing costs which are not avoidable.

I remind the House that the Liberals and Conservatives voted against this amendment and in favour of allowing landlords to have tenants pay for their buildings two, three, four, five or six times.

We are still faced with that problem in clause 1(a). There is nothing in clause 1(a) that deals with the problem of that kind of inflation.

In 1975, we were the only party that fought to have rent review introduced. Unlike the Conservatives, we have done everything possible to make rent review as workable as possible.

4:30 p.m.

Mr. Cooke: I believe we do not have a quorum.

Mr. Chairman ordered the bells to be rung.

4:36 p.m.

Mr. Chairman: A quorum is present.

Mr. Philip: Mr. Chairman, as I was saying, clause 1(a) defines the board as meaning an Inflation Restraint Board. We have some concerns about the words "Inflation Restraint Board" because we do not think this act deals with the problems of inflation.

When I was last speaking, I was dealing with some of the problems faced by tenants in terms of inflation. I was pointing out that in 1975 we were the party that encouraged and fought to have rent controls introduced in the first place. The whole concept of rent controls was to deal with the problem of inflation among tenants. At that time and since that time, unlike the Conservatives, who have done everything possible to make rent review as unworkable as possible, we have introduced 16 or 18 private members' bills to strengthen tenants' rights and to make rent review more workable.

One would have thought that when the minister introduces an Inflation Restraint Board he would have included rents under this, if for no other reason than to at least examine in an impartial way what it was that was making the present rent review system so unworkable. I say unworkable because we are not talking

unworkable in the sense of a majority of tenants. We recognize that for all of its faults, 80 per cent of buildings did not go before rent review this year.

In fact, it is those 20 per cent that have gone before rent review or those not covered under rent review at all that are most affected by the inflationary process. The whole concept of rent review is still a valid one. The very fact that 80 per cent of buildings covered under rent review—that is those occupied before January 1, 1976—do not feel a necessity to go before rent review, and are not asking for more than six per cent, is testimony that at least for a majority of buildings rent review is working.

So what we are talking about is simply repairing a system that is not working for those 20 per cent and for those buildings occupied after January 1, 1976, that are not covered at all or those where rents are over \$750 and are so-called luxury buildings. It was under pressure from the New Democratic Party that the government made a prohibition on rent review commissioners from resigning their jobs and appearing immediately before the same body under which they had acted in a judicial or quasi-judicial capacity. In fact, one would suspect that an Inflation Restraint Board would want to deal with the problem of conflict of interest and the effect of inflation on such conflicts, but it has not.

It is a voluntary decision signed by those who are already rent review officers under a certain amount of pressure from the minister or from the chairman of the Residential Tenancy Commission. It does not deal at all with those who have at one time been rent review officers and are hiring themselves out as hired guns to those landlords who can afford it.

I was at a rent review hearing the other night. Do the members know the fee for one of those hired guns? It was \$6,000, and that was passed on to the tenants. Yet the tenants have no way of hiring someone with the time and the expertise—particularly the time—to do the kind of preparation to give a balance on the other side. They have no way of deducting that. In fact, what they are doing is having an inflationary process added on—that extra \$6,000—to their rents as a result of the fact that this government is not dealing with that problem. This board does not deal with that problem. It exempts rents completely. It exempts completely the—

Interjections.

4:40 p.m.

Mr. Philip: I am sorry. If the member for Mississauga North wants to interject, I hope he will interject in a nice loud voice so I can reply to him. Mumbling is simply a disturbance.

Mr. Jones: Chairman, on a point of order: I am curious. I hear the member making comments about other legislation. He is commenting on the work of the rent legislation, but these are two different programs. This bill today deals with the inflation program. It deals with a relatively short-term program. The other program the member alludes to goes back to 1975-76. To be sure, in the bill we are considering today there are some similar philosophies such as some of the pass-through philosophies, but I suggest the member is straying far from the bill before us today.

Mr. Philip: Mr. Chairman, to answer the point of order, I do not know if the member for Mississauga North was in previously to hear the earlier part of my speech—

Mr. Jones: Yes, I was.

Mr. Philip: Oh, he was. Then he is either a poor listener or a slow learner. I would be happy to repeat exactly what the arguments I was using were. I was saying that for us to accept this board under this definition, meaning an Inflation Restraint Board, we would have to deal with the problems of inflation for tenants.

He is quite right when he says there is other legislation, and that is part of the minister's argument, that deals with the problems of inflation for tenants. It is called the Residential Tenancies Act or the rent review act and the Landlord and Tenant Act. He has also introduced a new bill called Bill 198 which tries to come to grips with some specific problems related to the Cadillac Fairview sale and to other recent flips.

What I explained earlier is that all these are inadequate. Therefore, the minister's argument that the Inflation Restraint Board should not cover tenants' issues because it is covered in the legislation the member for Mississauga North mentioned, and some other legislation he did not mention, is a spurious argument because it is not covered.

I agree with the member for Mississauga North that this is temporary legislation. We in the New Democratic Party see that the inflation created for tenants has to be dealt with, not in a temporary way which will mean in a couple of years' time a very large run on increases in rents, but rather in a permanent way until such time as

other programs can be put in place so we can deal with those issues.

It may well be that they can be dealt with under the Residential Tenancies Act or under another ongoing board that will be a permanent board, maybe even a board called an Inflation Restraint Board, which are the words used in clause 1(a), but that is not in place now. That is why we find it hard to identify with this section of the bill.

We also believe that to pretend to be dealing with the problem of inflation and to have an Inflation Restraint Board, while at the same time those tenants who are living in buildings occupied after January 1, 1976, are not covered, is to miss the whole point of inflation for a large number of people. There are some communities such as the one the member for Mississauga North represents where, I am sure he would admit, a large percentage of the tenants in the buildings have no protection under rent review because they are in buildings occupied after January 1, 1976. He nods that he agrees with that.

To say one has a board that means an Inflation Restraint Board that does not even cover these people, does not even cover his constituents who are living in those buildings, is to miss the whole point. It is to create a shadow that is unreal.

Mr. J. A. Taylor: Mr. Chairman, on a point of order: Is the honourable member still speaking on the point of order that was raised or are we beyond that? I have not heard your ruling.

Mr. Chairman: That is an excellent point and I missed that. Could you clarify for us if you are actually speaking to the point of order or if you are back on clause 1(a)?

Mr. Philip: Mr. Chairman, I was back on clause 1(a) of the bill. I was trying to make sure the member for Mississauga North understood, and would not rise on a future point of order by trying to relate it to his own community. The member quite rightly, and he was paying close attention this time, admitted there are a large number of tenants in his riding who are not covered under rent review. The very point he made, that this board was not designed to deal with tenants, is a valid point and that is one of the reasons we find it unacceptable to vote for clause 1(a).

Perhaps it becomes a harder job for me to relate it directly to Mr. Jim Taylor's riding—

An hon. member: The member for Prince Edward-Lennox.

Mr. Philip: Prince Edward-Lennox, but in committee we use people's names.

Mr. Charlton: Not in the House.

Mr. Philip: Even in the House I believe we use names.

Mr. Chairman: You are not supposed to.

Mr. Philip: All right, the member for Prince Edward-Lennox; I know there are not many high-rises in Prince Edward-Lennox but I am sure, as I continue with my remarks over the course of the next hour or so, I will think of an example that will make him understand why he too should not be voting for clause 1(a). I hope he will give me a little time to do that. I will come up with an example for him.

Mr. J. A. Taylor: Mr. Chairman, on a point of clarification: The honourable member was talking about shadows on the wall of the cave. I wonder whether he is confusing it with fog.

Mr. Philip: Pardon me, I did not catch that; confusing what?

Mr. Chairman: Confusing it with what?

Mr. J. A. Taylor: The member was referring to Plato's Republic, if I am not mistaken. He talked about Plato and the shadows on the wall of the cave. I assume he was referring to Plato's Republic and the dissertations within that work. I was asking as a point of clarification whether he did not really intend his reference to be to fog.

Mr. Philip: As a matter of fact I was, and I used the word in my opening statement. I will repeat it because the member was not here. I said that to use the word "board" designated as Inflation Restraint Board is no more real than the shadows were in Plato's cave.

It is a device which creates the illusion of reality and the illusion of something concrete or real but, in reality, when examined disappears into vapour and shadow. I would take it that vapour would be a synonym for fog. Vapour sometimes comes up from an artificial source such as heat and fire, or is man-made, and fog is usually nature-made, but none the less it is the same substance, meaning water.

Mr. J. A. Taylor: I accede to the member's superior expertise in the area of fog and vapour. For the member's information, I was here from the beginning.

Mr. Philip: I specialized in the human sciences and not the physical sciences, but I am sure I can give the member a chemical analysis of H₂O and give him a more detailed explanation of the definition of fog and vapour if he

wants. I gather that I have satisfied the curiosity of the member for Prince Edward-Lennox for at least another three or four minutes, so I will continue.

Mr. Cassidy: I think Plato has more to contribute than the member for Prince Edward-Lennox does.

Mr. J. A. Taylor: Plato? I wouldn't compare myself to Plato.

Interjections.

An hon. member: Try Pluto.

4:50 p.m.

Mr. Philip: Mr. Chairman, one thing about Pluto is that he at least had ears and he listened. That is more than has ever been done by that member.

Mr. Havrot: I wouldn't want to listen to you because you have nothing to say anyway.

Mr. Philip: You have to have a certain amount of intelligence to understand and to use your ears.

Interjections.

Mr. Philip: I can understand that the member who has just spoken cannot hear because he lost his toothpick.

Mr. Havrot: Do you want one? It might do you some good. It will match your wooden head.

Mr. Philip: He is shaking his head. Yes, he is, I can hear the rattle from here. I know that he wants to respond.

An hon. member: He swallowed his toothpick. That is the rattle.

Mr. Philip: I think he has swallowed his toothpick.

Mr. Havrot: I will pass them on to you.

Mr. Philip: He said he has just passed on and I do not doubt that.

There is a myth in this province that rents can go up only six per cent. I have people who call me as the New Democratic Party housing critic daily, saying, "How is it that in this province, under rent review, I am being asked for more than six per cent?" The problem is that many people, over a period of time, have not been asked for more than six per cent. That is part of the rent review system.

We mentioned earlier that 80 per cent of buildings, even this year, have not gone to rent review. Yet we notice that the ones that are going to rent review are experiencing substantially higher increases than the six per cent. We are talking about 18 per cent, 19 per cent, 20 per

cent. Indeed, we have run into examples such as 56 per cent, 57 per cent and even 60 per cent rent increases.

What one must question is, how can this section of the bill talk about an Inflation Restraint Board when it does not come to grips with that problem? We in the NDP are committed to the right of fair rents and security of tenure. When other parties claim to protect tenants, they are actually writing laws which will make the six per cent ceiling meaningless.

The argument heard from developers and other opponents of rent controls is that they have caused the current crisis in vacancy rates in many Ontario municipalities. That, of course, is a phoney argument. We saw what happened in Alberta when the Conservative government eliminated rent review there. There were no increases in residential rental housing starts; in fact, they hit a 13-year low.

We hear the federal minister who was until recently responsible for housing, Mr. Cosgrove, argue that rent review is somehow responsible for stopping rental construction starts. We know that is not true. It is the federal government's high interest rate policy that has a more direct relationship to sparse construction, be it in rental accommodation or in any other form of construction.

Mr. Haggerty: I thought it was Reagan economics.

Mr. Philip: Yes, but it is also Trudeau economics. Trudeau followed the Reagan economic formula. It did not work in Great Britain. It did not work in the United States. It is not working in Canada, and the Liberals, whether large-L Liberal or community Liberal, still follow the same inflationary high interest rate policies.

Mr. Charlton: He is a Social Credit Liberal.

Mr. Philip: At least Social Credit were concerned about interest. They may have had a funny money policy but at least they were concerned about the problem of interest rates. In their earlier tracts, they even called usury one of the greatest sins. They talked about that and even referred to the Bible for an example.

This is the party that this particular speaker, or interjector, is supporting. We heard his speech the other night on that.

Mr. J. A. Taylor: Let us get back to the Bolshevik revolution.

Mr. Philip: He is making my speech a lot longer and I find that delightful.

Mr. Kolyn: You are lucky he has given you a topic.

Mr. Philip: I have a topic. I have several folders here with which I can continue.

We have warned over the years that the government must take immediate action against the large rent increases being experienced by Ontario tenants living in buildings that are sold and refinanced. The most recent case, which we pointed out in the House at the start of this session, concerned Kendale Court in Hamilton. The members of this party from Hamilton are very familiar with the case. This falls on the heels of the sale of 1,500 units by Cadillac Fairview and the sales of the units by Greenwin. The two buildings in Hamilton consisted of about 200 units. They were sold in January 1981, by Central Mortgage and Housing Corp. to Steveston Investments for about \$2.5 million.

Mr. Rotenberg: Mr. Chairman, on a point of order: I have been listening quite patiently, but, with respect, I suggest that sales of buildings in Hamilton have nothing to do with what is before us, which is clause 1(a) of the bill. I would ask that the Chairman call the member to order.

Mr. Philip: What we are dealing with is the definition of board as being an Inflation Restraint Board. What we have here in the case of Steveston Investments, which I was trying to explain to the member, is a building that is sold by CMHC for \$2.5 million, of which Steveston paid only \$37,000—

Mr. Rotenberg: On a point of order—

Mr. Chairman: I want to hear this through and then I will rule.

Mr. Rotenberg: He is not talking to the point of order. He is just continuing with his speech.

Mr. Philip: How can the member say I am out of order when he has not heard the example I am giving and whether it is related to the Inflation Restraint Board? It is the Inflation Restraint Board I am talking about.

The Inflation Restraint Board has no power to deal with the fact that Steveston Investments paid only \$37,000 and financed the building. The buildings were then sold in April 1982 for \$4.8 million. That is inflation. One takes \$37,000, buys a building for \$2.5 million, sells it for \$4.8 million and passes on that inflationary cost to the tenants.

This Inflation Restraint Board exempts any kind of review, any kind of examination of that type of activity. The sale resulted in a net return on investment of 6,212 per cent. When we have speculators—I distinguish between speculators

and investors—flipping over buildings at a profit of more than 6,000 per cent on investment, then we have a very strong inflationary problem in this province. This board, which is called the Inflation Restraint Board, will have no powers whatsoever to even investigate that kind of activity.

What we have, in terms of those tenants in Hamilton, is a 12 per cent increase first of all—

Mr. Rotenberg: Is he talking to the point of order or is he back into his speech?

Mr. Chairman: I am not overly happy about it either. I would like to get this bill moving. He is on clause 1(a).

Mr. Rotenberg: May I speak to the point of order? With respect, we are discussing only the definition of the board and not the powers of the board. The discussion of the powers of the board and inflation and so on are further on in the act, around sections 29 and 30.

Right now we are dealing only with the definition of the board and not the powers of the board. I suggest, with respect, that we deal with the definition of the board being the Inflation Restraint Board. If the honourable member wishes, as is his right, to discuss the powers of the board, I would suggest he do that under the proper section of the act and not continue this delay of the bill.

I would ask you to so rule, Mr. Chairman.

5 p.m.

Mr. Chairman: That is a valid point of order.

Mr. Charlton: Mr. Chairman, the member for Wilson Heights (Mr. Rotenberg) seems to feel that the name of the organization is mutually exclusive from what it does. First, that is just not the case.

The member for Etobicoke (Mr. Philip) is trying to set out the rationale for why we cannot support the name which is proposed for this organization, because it does not reflect what the organization is going to be doing in terms of inflation.

Mr. Rotenberg: Mr. Chairman, with respect I would ask the members of the New Democratic Party if they do not want any inflation restraint because, in effect, that is what they are saying if they do not want an Inflation Restraint Board. If that is what they want, then let them put their cards on the table properly instead of trying to play games the way they are.

Mr. Cassidy: Mr. Chairman, if this board were to be called the peace, joy and leadership board, or something like that, people would

have a very proper objection to the mistitling of a board which purported to be something that it is not. That is exactly the point that is being raised in the debate right now as to whether or not this is genuinely an inflation restraint board or not.

The title of the board is a misnomer. We believe it is misleading. We think it is wrong that the public or the province should be misled because of this kind of thing.

I think the member for Wilson Heights would agree with me if I said that it would be wrong to title this commission, the peace, joy and leadership board. If you do not like that title for it, then we surely have the right to object to the title that has been given to it because we think it is mistitled and is a misleading appellation. In fact, as well, it probably comes under federal legislation.

Mr. Rotenberg: Mr. Chairman, I would ask you to rule simply that in dealing with the definition section that says what a board is, we deal with that definition only. With respect, I would suggest that the powers of that board—unless the members of the party opposite are saying they are against any inflation restraint, which they sound as though they are—I suggest that we deal with that board and get to the powers of the board—

Mr. Cassidy: The problem is that it is misleading.

Mr. Rotenberg: That party is the most misleading party on this bill that has ever been seated in this House. They are misleading not only the House and other people, they are misleading themselves.

I would suggest that we confine ourselves to the definition only and not the powers of the board which are not before us.

Mr. Cassidy: Perhaps the parliamentary assistant would like to move an amendment to this particular section so as to let the board have its true name, and call it the workers' deprivation board.

Mr. Chairman: I would like to clarify that from the chair's point of view what the member for Wilson Heights brings up is a valid point. However, I believe you also have to appreciate from my reading of the words "Inflation Restraint Board," there is a fine edge between what he brings up in terms of powers and what you are discussing in terms of definition.

I too have been listening very closely. I have admonished the member for Etobicoke to again be called to order, so he refreshes my memory

on his argument as to why it falls under clause 1(a). When I had done that he brought it to my attention how his arguments are falling under clause 1(a).

I rule he is in order.

Mr. Philip: I can understand how the member for Wilson Heights is a little sensitive on this. He is the member who has come out against Bill Pr13 that would have dealt with the problem of inflation to some extent in his own riding.

It would have given power to the city of Toronto which is not contained here under the Inflation Restraint Board, namely, power which the city of Toronto asked for under Bill Pr13, power to stop the demolition of decent housing and rental accommodation that have no structural problems.

He is the member who is on record as opposing the city of Toronto protecting that housing, protecting tenants from being thrown out of the apartments that many of them have lived in for many years; from being thrown out of their communities so that they can no longer participate in their synagogues and cultural clubs and so forth in that area, but have to go off to Rexdale or Scarborough where they have to find other accommodation as these buildings are demolished.

I can understand why he would be sensitive to not wanting to talk about the inflation problems of tenants because he is one of those who have stood up and defended the right of landlords to do this kind of thing, or the right of developers to do this kind thing to people even in his own riding.

Mr. Chairman: You are stretching it. I think I am going to have to allow the member for Wilson Heights a point of privilege.

Mr. Rotenberg: First, Mr. Chairman, I will stack my record against that gentleman—I use that term loosely—any time on protection of tenants; second, I would like to point out to him that none of the city of Toronto is in my riding, none of the people affected by Pr13 are in my riding; and third, I will stack my record of protecting people, any time, against the member who by his filibustering on this bill is misleading the people of Ontario.

Mr. Breugh: He can't say that.

Mr. Mackenzie: The member should withdraw the remark. It is well known we oppose this bill in principle and that is exactly our point.

Mr. Rotenberg: With respect, I withdraw the remark with respect to the honourable member. I withdraw any remark that he is misleading the

people of Ontario and simply say the entire New Democratic Party is misleading the people of Ontario.

Mr. Havrot: Very good. Truer words were never spoken.

Mr. Mackenzie: Mr. Chairman, I feel that he should withdraw that remark as well. That is a collective slur.

Mr. Cassidy: That is right.

Mr. Chairman: I rule that he is not misleading the House.

Mr. Rotenberg: Mr. Chairman, with respect, the member for Riverdale on Thursday evening indicated that remark was in order.

Mr. Chairman: The member for Etobicoke, let us get back to clause 1(a).

Mr. Philip: Before I get back, I would admit to one thing contained in the point of order of the member for Wilson Heights. It is true it is not the tenants in his riding who are being thrown out on the street. It is the ones in the riding of the Attorney General (Mr. McMurtry) who are being thrown out on the street as a result of his actions.

Mr. Jones: Get back to the bill.

Mr. Chairman: Clause 1(a); back to the bill.

Mr. Philip: Mr. Chairman, for this definition to have any meaning we would have to see, first, a denunciation by the ministry of the sale of apartment buildings to speculators by Canada Mortgage and Housing Corp., and for the provincial government to at least look at that problem with the federal government and to ask it to commit itself not to sell any more of Xits own rental buildings for this kind of speculative activity.

This board would also, we submit, look into the value of imposing a speculation tax on all buildings that are sold less than five years after purchase, in order to act as a disincentive against the flipping of buildings, which is a real cause of inflation in this province. We would have that board look at the whole problem and the need for removing the exemption from rent review of apartments renting for over \$750. In the present sale of buildings, many ordinary apartment units are approaching that rent. Indeed, this board will not even have the power to look into that to find out whether \$750 is a realistic figure as a luxury building or if, as we say, there is no realistic figure, that it should not be defined, that all units should be under a rent review system or indeed under an Inflation

Restraint Board which this bill is defining in clause 1(a)

We would suggest that an Inflation Restraint Board would look into the other areas of coping with inflation in the housing market, including the possibility of expanding Ontario Mortgage Corp. into an Ontario mortgage and development corporation, constituting a fully vertically integrated and publicly owned development corporation capable of acquiring and developing land and building and competing directly in the housing market. That kind of constructive activity by an Inflation Restraint Board would produce the kinds of working papers that could result in action by this government to deal in a very meaningful way with inflation in terms of tenants.

We would suggest that through the Ontario mortgage and development corporation there would be selective intervention in cases where tenants would be adversely affected; or that it could be done by an Inflation Restraint Board that would have the power to deal in a meaningful way with such things as the sale of the Cadillac Fairview buildings, to acquire such projects for conversion to co-ops or to nonprofit corporations or to ownership by local housing authorities.

It is interesting that no body in this province has adequately dealt with the research into what is happening in the housing market. Surely one would expect that either the Inflation Restraint Board, as defined under clause 1(a), or some other body would be set up by this government to provide that kind of raw data and look at the problem of inflation in the housing market.

5:10 p.m.

We do not have that. What we have is the kind of pseudo-study the Ministry of Municipal Affairs and Housing has turned out, called *The Impact of Rent Review on Rental Housing in Ontario: A Staff Research Report*. If this is research, one must wonder where they hire their researchers. This is not research; it is propaganda, plain and simple. This report is so bad in terms of dealing with the problems of housing that the Minister of Municipal Affairs and Housing (Mr. Bennett) himself, that extreme right-winger, had to release it during the middle of the summer when no one would see it.

This report is so bad that when the Minister of Consumer and Commercial Relations (Mr. Elgie) was questioned about it—and he is the minister responsible for rent review, for the Residential Tenancies Act, and the minister responsible for the Inflation Restraint Board we are dealing

with under clause 1(a)—would not even pass a judgement on it. He was asked by me, in his estimates, why it was that the very topic he is trying to deal with, namely, the effect of high interest rates on inflation, interestingly enough does not appear in this report, nor will this Inflation Restraint Board have the power to delve into the whole problem of the effect of high interest rates on rental inflation, he was not able to answer.

The report does involve a questionnaire, such as could have been undertaken by the Inflation Restraint Board under clause 1(a), although it does not have the powers to do this. This report did take on that authority. It sent a questionnaire to all the landlords asking for very specific information about the effect of interest rates on their rents. It is interesting that it does not report that information. One must ask, who is going to do that kind of research? If it is not the Ministry of Municipal Affairs and Housing that hires the people to turn out this blue document, should it not be the role of the Inflation Restraint Board? But it is not. It will not have these powers. They are calling it the Inflation Restraint Board but it will not be one; that, then, is sheer charlatanism of the worst kind.

There is nothing going to be done by this Inflation Restraint Board to protect the existing rental stock or even look into the need for passing legislation to allow municipalities to stop the demolition of apartment buildings, except in those instances where the density is lower than permitted by zoning or where the building poses a health or a safety problem. That was the issue to which the member for Wilson Heights was addressing himself earlier.

The Inflation Restraint Board will not even have the power to study that problem. We know in certain areas, such as the centre core of the city of Toronto, there are ways in which developers are now getting around the condominium conversion bylaws. Those laws were set up to deal with the problem of inflation among tenants. They were set up to do something the Inflation Restraint Board will not be able to do. They were set up to say to certain developers, "You may only convert if there is a certain vacancy rate in this area, and, indeed, if you have adequate structural studies so that you are not passing on structurally unsound buildings to unsuspecting consumers."

This board will not deal with that problem, and the member for Wilson Heights is on record as opposing other bills that one could accept as dealing with the problem, namely, Bill Pr13, or

my private member's bill that would have given to all municipalities, if they wished, the same powers as were asked for under Bill Pr13 by the city of Toronto. So when this board does not deal with the very essential problems of restraint it is certainly misleading, if not outright propaganda, to call it the Inflation Restraint Board.

We and other members in this House have suggested that we need an all-party select committee with adequate research and staff to investigate the effects of speculation in the increase of rents in this province, with particular emphasis on examining the effect of offshore and out-of-province speculation.

We have not asked for that recently; we asked for that years ago. Now I am pleased to see that the Liberal Party has come along and has decided that this is not such a bad idea and has agreed with it. So at least two parties in this House are in agreement that there should be an all-party committee to deal with the very real problem of inflation in the housing industry and what is causing it.

This Inflation Restraint Board will not have that power, and one would expect that if we are to pass this clause, if we are to accept this, then we would have to see a way of coping with this issue somewhere else in some other legislation or through some other means.

Mr. Chairman, it was not so long ago that my private member's bill, which deals with the whole problem of buildings occupied after January 1, 1976, was debated in this Legislature. It is interesting to note that while the members on the other side of the House talked about our "filibustering" this bill, they did not even allow my bill to come to a democratic vote in this House. They blocked it. The tenants and tenant groups across the province were disappointed. The Conservatives blocked the passage of the bill, which was called An Act to amend the Residential Tenancies Act. That bill would have ended the present—

The Deputy Chairman: The honourable member is veering off clause 1(a), "Board" means the Inflation Restraint Board."

Mr. Philip: Mr. Chairman, as I pointed out to the previous Chairman, we are dealing with the very fact that the term "Inflation Restraint Board" is a fraud, that it does not in fact deal with the problem of inflation. We could accept that—not lightly, but none the less we could overlook it, if the ministry had brought in other legislation to deal with the problem of inflation as it affects tenants.

What I am trying to do in a very systematic

way is to go through how time and again this government has had the opportunity to deal with that problem and it has failed abominably in introducing that kind of legislation and in dealing with that problem.

In some parts of Metro Toronto, such as Scarborough, Mississauga North and Rexdale, a very substantial part of the rental accommodation is not under rent review. When I questioned the minister on the act that he was bringing in and as to why under the Inflation Restraint Board he was not including rents, he said, "We have a rent review system."

In some communities a substantial part of the rent is not under rent review, therefore, to suggest that we should somehow accept this phoney Inflation Restraint Board because rents are covered under some other legislation when in fact they are not, and when in such communities as Mississauga North, Etobicoke and some of the Scarborough areas landlords are raising rents \$100 and \$150 a month or even more and also are not covered by this Inflation Restraint Board or by the other legislation, is simply pure charlatanism.

What is also not covered under this Inflation Restraint Board is the whole loss-leader technique that is being perpetuated in those areas such as Mississauga North. It is not uncommon for a tenant who is protected by rent review, the rent review system that the minister has argued is adequate so it does not have to be covered under this Inflation Restraint Board, to see a new building and say, "For an extra \$50 or \$25 I can rent in a brand-new building with extra facilities."

5:20 p.m.

What happens is that once they have moved into those buildings, once they have had an opportunity to move their children from the schools in their old neighbourhoods, once they have perhaps spent a considerable amount of money buying new drapes or redecorating the apartments they have moved into, they suddenly find the next year that rents are increased substantially.

Then they call me, and I am sure they occasionally call the member for Mississauga North, saying: "What has happened? We thought we had a rent review system. We moved into this new building and suddenly the landlord is raising the rent"—by 30 or 50 per cent.

This happens over and over again, but this Inflation Restraint Board will not deal with that. It will not deal with a very real problem. In some of the newer communities, as more and more of

the housing stock becomes buildings occupied after January 1976, we have more and more that are not covered under the rent review system and will not be covered under the Inflation Restraint Board.

We have pointed out over the years that there were a number of specific things that could be done by the Residential Tenancy Commission, by an Inflation Restraint Board or by some group that in a nonpartisan, quasi-judicial way could examine the problems of the rent review system. We are disappointed the Inflation Restraint Board will not deal with this. We are disappointed because the Residential Tenancy Commission has not dealt with that, and we are disappointed because this new legislation, which is supposed to fight inflation, does not deal with that.

We have pointed out that there are constant examples of illegal rent increases. This board will not have the power even to investigate how to cope with that. A number of ideas have been suggested to the minister as to how to deal with the problem of illegal rent increases. You would think the Inflation Restraint Board at least would have the power to investigate those various alternatives and to suggest to the minister and this House the best route to cope with this.

One alternative is to proclaim the section of the Residential Tenancies Act which was before the courts and was ruled out by the courts many months ago. That called for a rent registry. A rent registry could come under the Inflation Restraint Board. It simply would be a way of requiring a landlord to list his rents on an annual basis. That would make it difficult for a landlord to raise rents illegally. That would be a positive, unbureaucratic and inexpensive way of dealing with an inflationary problem.

The new Minister of Consumer and Commercial Relations has admitted some interest in this. But why has it taken a year and a half? Why has it taken constant submissions by tenant groups and by the New Democratic Party to the previous minister, saying, "It makes some sense to make it difficult for certain landlords—those few who do it over and over again—to raise rents illegally." That surely is a basic inflationary problem in this province.

Mr. Green of the Residential Tenancy Commission in Etobicoke and York areas admits he knows which landlords are doing it over and over again, but under the present act he has no way of dealing with it. He has to have someone report it immediately to him and say, "I have

been charged an illegal rent." That poses some problems.

Under the Inflation Restraint Board, if it had at least a registry of rents any tenant moving into a building could find out what the previous rent was and whether his rent had been raised illegally. It would be a simple mathematical calculation. One phone call, add the percentage and one has what one should be paying. But this government has not done that. It does not give the power to either the Residential Tenancy Commission or the Inflation Restraint Board, which is defined in clause 1(a).

Mr. Jones: Mr. Chairman, on a point of order: We all have listened patiently to the honourable member talk about the Residential Tenancies Act. The point has been raised to yourself and the previous chairman that rent increases are controlled under other legislation, the Residential Tenancies Act.

I am concerned on behalf of the people of the province, and particularly the people of Mississauga North to whom the member refers. He has been making the statement that this government has not been doing anything about rent review concerns.

On November 16, the Minister of Consumer and Commercial Relations announced several programs. There was to be an impact study of the temporary five per cent rent increase that was going to deal with the financing costs arising out of changes in apartment ownership. We also heard announced the increase in the length of time that landlords may phase in higher financing costs when ownership changes come about. We have the study by S. D. Thom. We have the inquiry by James Morrison about the 11,000 units.

This government has been very active in its concerns about the rent review process. It is surprising to hear the member leave the topic of this bill in the name of inflation. Incidentally, everybody in Mississauga North, people across this province and people who came to our hearings clearly understand what this bill is doing; they addressed themselves to it very articulately.

Some of us are having a real problem with a couple of things the member says, particularly the allegation that this government has not become concerned about rent review and is not doing anything. We have the bills, Bill 198 and others. We know what this government is doing, and some of us have a real problem with that allegation.

We also have seen people come from all

sections, including tenants, who articulated their concerns. These concerns are sprinkled section by section through this bill. We are anxious to deal with the clause-by-clause and quit the horsing around with the name and the member pretending he is on topic and that somehow or other it is a serious debate.

On behalf of my colleagues, who have been patient, we urge you, Mr. Chairman, to help the member stay somewhere on topic and not kid the troops about this government not having a concern about rents and rent review and not being involved in the process to help lessen that impact.

It is a private sector matter, as the member acknowledges. This legislation does not deal with prices in the private sector, and they are not technically being held to the five per cent this bill deals with in public sector prices. You have the bill. Why not debate it?

Mr. Mackenzie: Mr. Chairman, on the point of order: The speaker is very much on this bill when he is talking about the name that is in clause 1(a). He does not, nor do I, want to be party to deceit. That is exactly what this name is.

If this bill were called the arbitrary powers act—I thought of it when my colleague the member for Wilson Heights was speaking—you would have us on the spot a bit in trying to argue with you. However, I note you have not called the bill the arbitrary powers act. But even if that were the case, that does not mean we could not argue against the name of the bill. I fail to see what his point of order is.

The Deputy Chairman: I do not see that the honourable member was even speaking against the name of the bill. Where we name it is in the last part of the bill. One concern, as we are in committee—

Mr. Wildman: He was talking about the name of the board.

The Deputy Chairman: That is right, but the member for Hamilton East said "the name of the bill."

Mr. Mackenzie: The name of the board is what I meant.

The Deputy Chairman: But you did say the name of the bill.

The member for Etobicoke has had the floor of the House since 4:13; that is almost an hour and 20 minutes. There may be others who may want to speak, and we are only on clause 1(a) of the bill, that is, "In this act, 'board' means 'Inflation Restraint Board.'" If he is able, will he

keep his remarks to that subject? This House does not have time restrictions on speeches. Possibly the member can at least appreciate that others may want to participate.

Mr. Philip: I appreciate your ruling, Mr. Chairman, and I agree with it. If I may, however, I wish to correct the record on the point of order. The member for Mississauga North said, and I will paraphrase, that tenants' groups appeared before the committee dealing with this bill and were satisfied that something was contained in various sections of the bill. That is my understanding. Is that what he said?

5:30 p.m.

Mr. Jones: No, Mr. Chairman. I said they came forward and expressed their concerns with the bill and their concerns in general, and we heard that. I was asking the member to move on with the bill so we can discuss clause by clause some of those concerns as we go about our business, not to get hung up on the first page.

Mr. Philip: Mr. Chairman, the very points I was making were analogous to those the Federation of Metro Tenants' Associations and other tenants' groups made when they appeared on that bill. I know you listened very attentively to their presentations, Mr. Chairman, and you will note that the very point they were making was that it was sheer charlatanism to call it an Inflation Restraint Board and to call it an act respecting restraint and monitoring inflationary conditions when in fact it did not deal with the very problems of inflation in the rental market. That was the very point they were making, and that is why I am trying to outline—

Mr. Wrye: On a point of order, Mr. Chairman: The honourable member might at least stay on topic about what the Metro tenants said. They certainly had some criticism. I will agree with the member for Etobicoke on the title of the bill, but I do not remember—and I may be corrected if I am wrong—that they ever had any concern about whether it was called the Inflation Restraint Board, the arbitrary powers board or anything else. I think what they wanted to get on to was the substance.

The Deputy Chairman: Member for Etobicoke, be challenged to try to direct your concluding thoughts, as long as they might take, to clause 1(a) of the bill itself.

Mr. Philip: Mr. Chairman, I appreciate that, because I have just gone through the prologue and I am about to enter on my speech. I will

follow your directions in the main body of my speech, I can assure you.

The point I was making was that the tenants were making the very same point I am making, namely, that it is nonsense to talk about this as being a bill that fights inflation when this bill and this section completely exempt tenants and their concerns. That is what the member for Mississauga North will have to answer for to the tenant groups in his riding in the next election, whenever that comes.

The member for Mississauga North talked about all the great things this Conservative government has done for tenants. That is part of their justification for not including under the Inflation Restraint Board the power to deal with tenant issues. If we look at the history of this government with respect to inflation in housing, remember that it was during the 1975 election that the Premier (Mr. Davis) first said that high interest rates, which were about 10 per cent, were too high and something had to be done, and that if he became Premier again he would deal with the problem of high interest rates and their effect on housing.

We are still waiting for it, and I do not see anything under this Inflation Restraint Board, or indeed under the powers of this Inflation Restraint Board, that some seven or eight years later is dealing with the promise the Premier made in 1975. The fact is that the Conservative government has refused to enact legislation requested by the Federation of Metro Tenants' Associations, both appearing before this committee dealing with this bill and on numerous other occasions, to stop illegal rent increases.

The government has delayed legislation requested by the city of Toronto to stop demolitions that are creating a shortage in rental accommodation and therefore forcing people into the more highly inflated, newly constructed buildings that are much higher in cost.

This government has just introduced legislation that limits salaries, as this bill does, but does nothing to deal with the present review system and the corrections required in it. And if we are to—

The Deputy Chairman: I think the problem now is that the member is starting to repeat some of the points he made earlier.

Mr. Philip: I am not repeating them, Mr. Chairman; I am simply dealing with the objection of the member for Mississauga North when he says there are other ways in which this government through its history has dealt with the problem of inflation among tenants. In fact,

it has not in any way dealt with the problem of inflation by tenants other than by the original act of 1975, which has a number of loopholes in it.

The minister's justification for not dealing with tenants' issues under the Inflation Restraint Board has been the same point that the member for Mississauga North is trying to make through his interjections, which is that it is contained in other legislation. That is not true. If that were the case, then at least the Inflation Restraint Board would be a term we might accept.

In the same way that this Inflation Restraint Board does not deal in a direct way with the problem of tenants, it does not deal with the problem of the inflation to the Treasury, both federal and provincial, in limited-dividend buildings, buildings that are subsidized by the federal government, and in some cases by the provincial government, as a way of coping with the so-called inflation problem.

On several occasions I wrote to the minister asking him why it was that buildings such as the one at 2737 Kipling Avenue in Rexdale were not covered under the rent review program even though they are advertised as rent-controlled buildings. The advertisements, of course, are the advertisements of the federal government. The federal government says it is putting money into these buildings—

Mr. Rotenberg: On a point of order, Mr. Chairman: With respect, I suggest the federal government's action on a particular building on Kipling Avenue has nothing to do with the definition of what a board means. I ask you to rule that the honourable member discuss that "board" means "Inflation Restraint Board" and deal with the definition. If the member wants to deal with the powers of this board, he should deal with them under the section that deals with the powers of the board.

The Deputy Chairman: I thank the member for Wilson Heights. He is correct. I ask the member for Etobicoke to tie his remarks, not to a federal program or to other programs, but specifically to clause 1(a) of Bill 179.

Mr. Philip: Mr. Chairman, the point I made to the Minister of Consumer and Commercial Relations, who is the minister responsible for this so-called Inflation Restraint Board, was that this board does not deal with the very problems of inflation in those buildings that are provincially and federally subsidized. The example I have given—

Mr. Rotenberg: The member does not—

Mr. Philip: If the member wishes to talk, I will give the floor to him.

Mr. Rotenberg: Would the member do that?

Mr. Philip: Sure. Go ahead. Does the member have a point of order?

Mr. Rotenberg: Mr. Chairman, I made a point of order which I think you have ruled on. The member is continuing to talk contrary to your ruling.

The Deputy Chairman: The member has heard me say it several times. I want him to speak to clause 1(a) of the bill. With the time elapsing, I would really appreciate it. I know all members would like to see him direct his thoughts purely and entirely to clause 1(a). In an hour and a half, certainly, one can do that.

Mr. Philip: Mr. Chairman, one would think that an Inflation Restraint Board would deal with such things as illegal charges to tenants. The specific case I was dealing with dealt with Park Property Management Inc. There was a \$5 fee charged, for example, by superintendents to open the doors of apartments when tenants forgot their keys. One would think that inflationary charge, and other charges such as those for the use of facilities that are supposedly covered under the rent, would be of interest to an Inflation Restraint Board.

If the government were really going to have an Inflation Restraint Board, one would think that the minister responsible for that would show some interest. Did he? Of course not. He said it was not his concern. He said it was a building built after January 1, 1976. In fact, what the government has done is an abdication of responsibility.

One could accept that the provincial government would have the right to abdicate its responsibility if the federal government which is pouring taxpayers' money into these buildings were carrying out its responsibility of seeing that these buildings were operated in a legal manner under the provincial act. But that is not happening.

I received a letter from the new minister responsible for housing, who seems to be even more reactionary than the previous minister, Mr. Cosgrove, or even worse, and he said he did not consider it his responsibility whatsoever. He did not even think it enough of his responsibility. One would expect that at least an Inflation Restraint Board, if it meant anything, would consider it its responsibility to bring the law into

it and say that it wants an explanation of what is going on.

5:40 p.m.

But instead the federal minister, who is pouring tax dollars in, is not carrying out his job. One would expect that at least the Inflation Restraint Board would consider that to be its responsibility. We do not have provincial—

Mr. Rotenberg: Mr. Chairman, you have ruled and he is still talking about the same thing. If he wishes to add residential tenancies to this bill there is a proper way to do it. I understand there is already a notice of motion to add a section to the bill which will limit the rent increase to five per cent. If that is what the member wants, and it is a valid amendment, I suggest that when it comes up he brings forward an amendment to the powers of the board.

He is way beyond the definition. At the proper time, when that amendment is on the floor, all the arguments he has made will be totally valid. Now we are discussing definition only and I would ask you again to rule that he is out of order.

The Deputy Chairman: I am patiently hoping the member for Etobicoke can get off the federal aspects and deal only with clause 1(a).

Mr. Philip: What I was trying to point out—

The Deputy Chairman: Please do not repeat yourself. Deal with the motion before the House.

Mr. Philip: The minister made one very specific argument in contending that an Inflation Restraint Board should not have the powers to deal with housing issues. He said the Minister of Municipal Affairs and Housing, through his various programs, in particular the Ontario rental construction loan program, dealt with the problem of scarcity of housing which was driving up the price of housing. This is particularly so in those areas where there is a dominance of buildings occupied after January—

Mr. Wrye: Mr. Chairman, this has been so fascinating for the last hour and a half I think we should at least have a quorum to hear it.

The Deputy Chairman: Is there a quorum?
There is a quorum.

Mr. Philip: I noticed the minister—

The Deputy Chairman: I must caution the honourable member that the chair has been accepting the points of order being made by the member for Wilson Heights that in your presentation you are going beyond the grey zone. I would appreciate it if you would tie your remarks to Bill 179, clause 1(a).

Mr. Mackenzie: When one or two members of this House keep interjecting with the same topic again and again, it is no wonder one gets away from the issue we were discussing, because one has to respond to the issues they raise. I think that should be taken into consideration.

The Deputy Chairman: We are now at an hour and 35 minutes since the honourable member began.

Mr. Philip: I do not have much more than another hour and 35 minutes to go, unless there are a considerable number of interjections.

The minister is just returning to the House and I am pleased to see him again. He has argued that the reason we should accept this definition of an Inflation Restraint Board not including tenants is that the whole issue is one of supply.

Mr. Rotenberg: Mr. Chairman, clause 1(a) does not indicate anywhere that the Inflation Restraint Board does or does not include tenants. There is nothing in that definition which says yes or no. If the honourable member wishes the power of the board to include tenants he should support the amendment made by the Liberals or make his own. But there is nothing in the definition section which indicates what the powers are. Therefore, anyone discussing the powers of the board is out of order in dealing with the definition section and totally in order when we get to the powers of the board in clause 2 or further along. I would ask you to so rule.

The Deputy Chairman: I am leaning very heavily in favour of what the member for Wilson Heights is saying. I am giving the member for Etobicoke a final opportunity to tie his remarks to the bill because I am afraid, having made the points he has, he is now in the process of going beyond what clause 1(a) could cover.

Mr. Mackenzie: Mr. Chairman, on a point of order: What we have in this House is pure and simple intimidation of a Chairman. You should be ruling on that.

The Deputy Chairman: It is quite legitimate for honourable members in this House to raise points of order. If the Chairman happens to see they are legitimate then the Chairman, in his own wisdom, and hopefully for the wellbeing of the whole House and the conduct of our standing orders, can follow it. I do not see it as intimidation to accept the help of all honourable members to assist us in processing the business of this House.

I have cautioned the member for Etobicoke a number of times. I feel he does want to continue

his presentation, but I beseech him to tie his remarks to the Inflation Restraint Board as in clause 1(a).

Mr. Di Santo: Mr. Chairman, on a point of order: I noticed the member for Wilson Heights has been making the same point of order time and again. I also noticed that in your wisdom you did not accept his point of order previously, which leads me to believe what the member for Hamilton East said, which is that the member for Wilson Heights is trying to intimidate the Chairman and trying to convince the Chairman to accept a point of order when initially, in your wisdom, you did not think it was so.

Mr. Chairman, for the benefit of the members, I would appreciate it if you could have the member for Wilson Heights refrain from making points of order that are irrelevant to the debate and allow the member for Etobicoke to keep going with the debate. You will understand that the member for Etobicoke—

The Deputy Chairman: I rule you out of order at this point. I will make this point and I will make it very clear. I am about to rule the member for Etobicoke out of order if he continues in this vein, because I have accepted the point of order of the member for Wilson Heights. Should the member for Etobicoke continue to disobey the chair as per my ruling, I will have to rule him out of order and recognize someone else in this House to speak on clause 1(a). That is the ruling I have made.

Mr. Breaugh: Mr. Chairman, might I ask you to explain your ruling to the House? I would understand clearly if you were declaring a member was being repetitious or not—

The Deputy Chairman: As long as the honourable member speaks to clause 1(a) in this act, “Board” means the Inflation Restraint Board,” and if the honourable member is not repetitious, and he has his version on that; but if he goes beyond what that subject entails, I would rule him out of order. I have accepted the point of order but I am giving every opportunity to that member to speak to the subject.

Mr. Breaugh: Mr. Chairman, just to be clear now, you have consistently—

The Deputy Chairman: If I may make it clear, the point is that comments must be relevant and germane to the bill at the time we are discussing it.

Mr. Breaugh: Right, Mr. Chairman. It is my further understanding that since this debate has gone on at some length now, the chair is still of the position that the members are free to

express an opinion on a matter which is currently before the House and that the chair in no way intends to intervene and declare at what length the members can speak or on what is relevant or irrelevant. You are using those sections of the standing orders which maintain we must speak to a motion which is before the House and we cannot be repetitive and things of that nature. Is that your ruling?

The Deputy Chairman: I am trying to abide fully by the rules of the House. My ruling is only to be relevant, have honourable members speak to the bill that is before us and, if a person is going to speak on some other issue that comes up later in the bill or is of a federal matter or is a matter outside it, I am prepared to rule that member out of order. I am only following the guidelines of the rules of the House that are before us here on the table.

Mr. Breagh: That is fine. Thank you, Mr. Chairman.

5:50 p.m.

The Deputy Chairman: I would like to get back to the member for Etobicoke and have his statement.

Mr. Di Santo: On the point of order, I think the member for Oshawa—

The Deputy Chairman: I am asking now for the member for Etobicoke. At this point, the debate is—

Mr. Di Santo: Mr. Chairman, I would like to ask for your advice. The member for Oshawa asked you to clarify on what basis you made your ruling. I did not understand why you ruled the member for Etobicoke out of order.

The Deputy Chairman: I am very pleased to tell you, because as we continue in this House there are certain things we should remember. Section 19(d), on page 4 of the standing orders of the Legislative Assembly of August 1981 is what I am following as it pertains to the honourable member who has the floor. Section 19(d)2 reads, "directs his speech to matters other than (i) the question under discussion, or (ii) a motion or amendment he intends to move." The point is a member has to direct his thoughts, his words, the attention of the whole House to that which is before us. That is why I now give the floor to the member for Etobicoke, with a final caution.

Mr. Philip: Since I want to follow your ruling very specifically, I wonder if you can clarify for me, because I am concerned that I do not disobey your ruling, what is the difference

between the point of order the member for Wilson Heights raised earlier with the previous Chairman, which was not accepted, and the point of order he has raised now, which you are accepting? Or are you suggesting there is no consistency between your chairing and that of the previous Chairman?

The Deputy Chairman: I appreciate the honourable member asking the chair that, because in being sensitive to the fact that you have heard me say it is the final ruling, I have listened to the honourable member for close to three-quarters of an hour and I wanted to give him every fair opportunity to direct his thoughts to the bill. The member for Wilson Heights made the point and I accepted it. I will endeavour to be as patient and understanding as is possible.

Mr. Breagh: Surely you do not mean to say that time has anything to do with relevance in this particular matter?

The Deputy Chairman: No, but I wanted to make sure in the total context and not to make any quick decision that could in any way take away the opportunity of free speech on any issue by any member on any bill in this committee. So, with pleasure, I recognize the member for Etobicoke.

Mr. Philip: In case my memory is failing me, was it not an identical point of order that the member for Wilson Heights asked you to deal with earlier when you ruled in my favour and against his point?

The Deputy Chairman: I have made my ruling; you have the floor and you are speaking to clause 1(a) of Bill 179.

Mr. Philip: I am trying to follow your ruling, but I want to ask you for some kind of consistency in that ruling.

The Deputy Chairman: The honourable member should know if he is on the bill or not. If you have something to say to clause 1(a) of the bill, then you have the chance to speak.

Mr. Philip: I argued that I was on the bill earlier and you accepted the very arguments you now do not seem to want to accept.

The Deputy Chairman: You were on topic at certain points, but then you deviated into subjects that were not germane to 1(a). At that point I was challenged and the point of order from the member for Wilson Heights was accepted by the chair.

Mr. Philip: The argument I was making was that we cannot accept the Inflation Restraint Board, or the definition of the board to mean an

Inflation Restraint Board, if it does not deal with the inflation of rents. I was arguing at that point that the minister had on several occasions argued that the reason this did not deal with the inflation of rents was that it was dealt with in other legislation or by other means. What I was attempting to do was to show in a very systematic way that this was not the case.

Now the member for Wilson Heights has suggested to us that we can move other amendments later in the bill that will deal with the very issue of how to cope with the inflation of rents, and that is a point that is well taken. I would be quite prepared to see the Minister of Consumer and Commercial Relations present that in the House.

If he would give us the assurance that those amendments we have proposed and that he knows we are asking for will be included and accepted later in the bill, we can move off this point immediately, because then the definition of the board to mean an Inflation Restraint Board will be meaningful and acceptable to us. Unless we have that assurance by the minister, then of course the argument by the member for Wilson Heights is spurious and nonsensical.

Interjections.

The Deputy Chairman: Is the honourable member making any more points on clause 1(a) that he has not made before?

Mr. Philip: I am finding it hard to make points when the member for Wilson Heights continually interrupts me. Now, if he has another point of order, I—

Interjections.

The Deputy Chairman: I will call the member for Wilson Heights to order and ask him to patiently give the member for Etobicoke an opportunity to make his remarks.

Mr. Philip: One of the arguments—

Mr. Rotenberg: On a point of order, Mr. Chairman: As long as he sticks to your ruling, I am more than happy to let him speak.

The Deputy Chairman: That is not a point of order. I am the one who is trying to maintain order here.

Mr. Philip: One of the arguments that the Minister of Consumer and—

Interjections.

The Deputy Chairman: Order. Would the honourable members in front of the member who is speaking please be quiet. Thank you.

The House recessed at 5:56 p.m.

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Ontario, LEGISLATIVE ASSEMBLY

No. 166

Legislature of Ontario Debates

Official Report (Hansard)



Second Session, Thirty-Second Parliament

Tuesday, December 7, 1982

Evening Sitting

Speaker: Honourable John M. Turner

Clerk: Roderick Lewis, QC

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LEGISLATURE OF ONTARIO

Tuesday, December 7, 1982

The House resumed at 8 p.m.

House in committee of the whole.

INFLATION RESTRAINT ACT (continued)

Resuming consideration of Bill 179, An Act respecting the Restraint of Compensation in the Public Sector of Ontario and the Monitoring of Inflationary Conditions in the Economy of the Province.

On section 1:

Mr. Chairman: Are we ready to put the question on clause 1(a)?

Mr. R. F. Johnston: Not quite, Mr. Chairman. No, not quite.

Mr. Wrye: Mr. Chairman, I was going to let other members of my party speak first but my colleagues have—

Mr. R. F. Johnston: I see you got the total support of caucus on this.

Interjection.

Mr. Wrye: Thank you very much; thank you. I thank the member for Lake Nipigon (Mr. Stokes) for that support.

I wish to make a few remarks on the definition section of this act and specifically on clause 1(a). I want to indicate at the outset, as best I can remember where we are in our consideration of this bill, that we will vote in favour of the section as it now reads. We will vote in favour of it, because quite frankly the definition section is not important in terms of the substance of the amendments which we still hope to present in the days to come.

In spite of the fact the hour grows late in terms of discussion of this bill, we still have some very substantial amendments to offer.

With your indulgence, Mr. Chairman, I would like to speak a little bit about what we believe the Inflation Restraint Board might be doing under an amended bill which would offer to the public sector workers in Ontario a much more palatable, much more acceptable kind of restraint than the one proposed by the government at this time.

Let me make it very clear to the government and to the government members we would

hope, if they have not done so already, that they should take a very good look at the amendments we wish to propose and in a thoughtful way give some consideration to those amendments.

Mr. Mackenzie: Quit kidding yourself.

Mr. Wrye: I hear my friend on the left talking, my friend who sees no problem not only in his party stonewalling, stonewalling a majority in terms of governing but also stonewalling the proper workings of this democracy in which any party can properly place its amendments before this House. The tyranny of the minority in this case is absolutely—

Mr. R. F. Johnston: Outrageous.

Mr. Wrye: —is absolutely outrageous. My friend from Scarborough West says it so well. It is shameful; just shameful.

Mr. R. F. Johnston: There are 22 members who are willing to stand up and fight this thing.

Mr. Wrye: There are a lot of public sector workers, my friend, who do not disagree with a policy of restraint. For you, in your utter arrogance, to suggest that only you have the right answer denies not only to those public sector workers who agree with us but denies to this House, as a group, the right to put the amendments.

Mr. Mackenzie: What is the pay off? What is the Tory pay off? It is not going to go through.

Mr. Wrye: Of course, my friend the member for Hamilton East (Mr. Mackenzie) can say that so easily because he has done everything in his power and in the power of his party to prevent our amendments from being placed.

Mr. Chairman, let me ask, if we put our amendment on subsection 3(4), which would call for due process, how would they vote? I remember the member for York South (Mr. Rae), the Leader of the New Democratic Party, talking about due process. Do not tell me about due process. Tell your leader about due process. He talked about it. How will you vote on subsection 3(4)? The hypocrisy of the party on the left knows no bounds.

I guess my problem is that I like to believe a democracy can work and that every party can have a chance to place amendments on the floor

and will let this Legislature vote aye or nay. Apparently my friend the member for Hamilton East and his colleagues are so determined there is no way to improve the bill, they would find it embarrassing—

Mr. Mackenzie: One hundred Tories.

Mr. Wrye: There are 103—

Mr. Mackenzie: One hundred and three.

Mr. Wrye: As usual, your mathematics are wrong.

Speaking to the amendment, let me suggest—

Mr. Kerrio: Ask your leader to do your arithmetic for you.

Mr. Mackenzie: You are just absolutely beautiful.

Mr. Wrye: Once again, I suggest that the real problem with my friends on the left is that they decided very early on for their own reasons that the bill could not be amended. Having read our amendments and having found them so eminently sensible, they are now desperately trying to justify their position by ensuring, through this most ridiculous obstruction and ridiculous filibuster, that the amendments never come to the floor of this Legislature for a vote.

I suppose you can get together with your friends in the government who want to bring in closure; I am sure you will all stand up and you will be hypocritical and you will say, "We are against closure."

Mr. Mackenzie: Mr. Chairman, on a point of order: I just want it on the record that there has been an admission from the member for Windsor-Sandwich that there are 103 Tories in the House.

Mr. Ruston: On a point of order, Mr. Chairman: I just want to advise the House that there are 30 members from the New Democratic Party being paid but only 22 ever sit in their seats.

Mr. Wrye: Frankly, there are barely 22 at the best of times.

If I may speak, I know you want to draw me back to Bill 179, Mr. Chairman. I suppose I got carried away. Perhaps the member for Welland-Thorold (Mr. Swart) with his speech of two and a half hours on the all-important and all-encompassing amendment he was speaking on, and the member for Etobicoke (Mr. Philip) and his 95 minutes' worth of remarks today on that all-encompassing and very important clause that he was speaking on, have drawn me a little bit off topic.

Let me see if I can return to the topic and

speak to the section now before us, which is clause 1(a). In the view of our party, some of the things we believe the Inflation Restraint Board should be doing—unlike our obstructionist friends to our left, we do not really care whether it is called the Inflation Restraint Board, the fair prices commission, the arbitrary powers board or anything else. A name is a name is a name.

8:10 p.m.

An hon. member: The Tories are the enemy.

Mr. Wrye: Mr. Chairman, could you ask my friend the member for Downsview (Mr. Di Santo) to return to his seat?

We believe one of the things this board will have to deal with is the present total irresponsibility of this legislation with respect to due process. When the hour shall come when we can place an amendment to the section of the bill, we intend to do so.

We do not believe it is in the best interests of making this legislation work and making it fair and equitable to public sector workers that those workers be denied due process by statute. We believe intolerable and unacceptable pressures will be put on the Inflation Restraint Board if we do not amend the bill in that way. That is why we believe that that amendment should be placed.

I had a chance to listen to my friend the leader of the New Democratic Party in his speech on clause 1(a) of this bill. It was an excellent speech, but it was an excellent speech on subsection 3(4) of the legislation. It is unfortunate that the member for York South did not have and has not yet had the opportunity to speak on subsection 3(4), because I know he would want to make the same remarks that he made so eloquently some time ago.

Apparently there are members of his party who really do not wish to have due process written into this legislation. At this stage those who have framed the legislation have not yet become convinced of the fact that for public sector workers, due process is an absolute necessity. But I am sure there are a number of government members who, if the amendment were to be presented and debated in full, would agree with our position that due process is not only fair to the public sector workers but is really the only way the Inflation Restraint Board and the members thereof, including the chairman of the board, Mr. Biddell, can ever have a chance to make this legislation work in a fair and equitable manner; in a manner in which the public sector workers will come to accept,

perhaps, that the sacrifice they are being asked to make is being dealt with equitably not only on the wage side but on the price side. I believe that is extremely important.

I also believe there are a number of other changes that would make the board's task much easier. Let me outline a few.

We will be proposing that wage increases in the transition year be mandated at nine per cent and not be up to nine per cent.

Mr. Cooke: And when they turn us down you will vote for the bill anyway.

Mr. Wrye: If the member for Windsor-Riverside (Mr. Cooke) would quit yapping for a second, I could conclude my speech and he could get up and make one of his own.

Mr. Cooke: We know how you are going to vote on third reading. You will either stay out of the House or you will vote in favour of the bill.

Mr. Wrye: The members on my left, among other things, believe themselves to be all-knowing, and now they know how to foretell the issues as well as everything else.

I suggest that we could take some of the problems away from the board. And make no mistake about the fact that the Inflation Restraint Board is going to have a great problem in adjudicating whether, for example, a school board that offers its teachers zero per cent or three or four per cent in the transition year should mandate an increase to the full nine per cent. We simply believe we ought to help the board by mandating a nine per cent increase. It is one thing to ask workers in the public sector in Ontario to make a tremendous sacrifice, and that is what we are asking.

The Ontario Liberal Party would have widened this legislation to include public and private wage and price controls because we believe there is an intrinsic unfairness in public sector controls only. In our view it would make the problem really unpalatable and unacceptable to the Inflation Restraint Board if it had to rule on a catch-as-catch-can basis as to whether public sector wage increases in the transition year are to be nine per cent or something less.

That is why, at the appropriate moment, this party will be placing an amendment to take that problem out of the hands of the board. We do not expect a monstrous bureaucracy and we believe it is very important that this board get on with the task of monitoring price increases. It will be a difficult one.

I have received a large number of submissions from my riding. I have asked them what view

they accept: public sector wage and price controls only, such as we have here; public and private, such as my leader and my party have proposed; no controls whatsoever; or other options they may wish to specify. The overwhelming number of people in my riding have responded that they believe in public and private wage and price controls and the increasing—

Mr. Cooke: That is not true and you know it.

Mr. Wrye: If the member for Windsor-Riverside wishes the numbers I can give them to him. Of course he will not believe them but I will even show him the ballots. He will not believe that either because those members do not even believe in democracy.

Mr. Cooke: That is so silly. We believe in democracy; that is why we are voting against this bill.

Mr. Wrye: The view we hold, and one which I believe a strong majority of the people hold, is that the price side of this bill must be toughened up substantially. It is very important to us that the Inflation Restraint Board not get bogged down in whether to give a six and a half per cent or a seven and a half per cent or a nine per cent increase in the transition year. Nor should it get bogged down in the other issue: whether to give an increase for nonunionized workers in the public sector of between zero and five per cent in the control year.

Let us mandate those increase. Let us admit for once that we are asking the public sector to make a tremendous sacrifice. They are the only ones being asked to carry the can for this government's so-called fight against inflation. So let us at least say to them, as this government has so piously suggested: "We care enough about you that we are not going to get you caught in a long hassle as to whether you will get six per cent or seven per cent or eight and a half per cent in the transition year. Let us give you the nine per cent."

Let us take that hassle away from the board as well because, make no mistake about it my friends, the board is going to get caught in a number of public-hearing submissions. Unions are going to demand to know why the board will not give them nine per cent or will not give them five per cent and the whole bureaucracy is going to bog down.

We should take that problem away from the board now. Surely, giving them nine per cent in the transition year, giving them five per cent in the control year, does not mean they are going to outstrip inflation. It is clear to all of us they

will fall somewhat behind the rate of inflation. It is mean-spirited to offer them something less than nine and five in the two years. It is wrong to try to fudge the figures, to try to play games and say, "The powerful will have their five but the less powerful—the nonunionized public sector—will have to fight for every scrap they can get." Give them their five per cent; they deserve it.

8:20 p.m.

One of the things I find reprehensible about the bill and about the problems the Inflation Restraint Board will have is it is going to be put in the unique position of saying yea or nay to those who are at the lowest income scales in the public sector.

If there is any one shocking thing we learned in the two weeks of public submissions to the standing committee on administration of justice, it was that there are far too many people in this province working in the public sector who are not earning \$15,000, \$20,000 or \$25,000 a year, but who are earning \$8,000, \$9,000 and \$10,000 a year.

This government proposes to say, "We will give you \$750," to somebody earning \$10,000 a year who obviously is not even able to make ends meet on \$10,000 a year. "We will give you \$750 and, if the Inflation Restraint Board in its wisdom deems it reasonable, we will give an extra \$250." That is going to cause amazing and incredible problems for the board. We wish to take those problems out of the board's hands.

It is absolutely wrong that those at the lowest end of the scale be treated in this mean-spirited manner. That is the kindest phrase I can put upon it. We would take the problem out of the hands of the Inflation Restraint Board. We would mandate a minimum settlement and a minimum wage increase in the control year period of \$1,200.

Group after group came before us and said: "At \$8,500 we did not cause inflation. We have not caused this problem in Ontario." They are right. If there is any group that has not caused the problems and the economic emergency we have in this province, it is the working poor of Ontario. My party will place the appropriate amendment before this House for its consideration.

The government members who have heard the debate day in and day out, and who have heard the public submissions, probably would be most attuned to and most sympathetic towards those amendments, so we would give those workers who are almost on starvation wages a decent increase, an increase in keeping with the

kinds of increases that have been awarded by boards of arbitration in a number of nursing home disputes and other disputes in recent months.

We would try to follow the lead of those boards of arbitration which have found that, notwithstanding the economic emergency and notwithstanding really anything else, it is time for those who are at the lowest end of the spectrum, who have paid the price time and again, to catch up. We believe it is simple justice for us to put before this House and have this House accept such an amendment. Not only that, it would remove another critical impediment from the workings of the Inflation Restraint Board.

I say that not knowing if perhaps the government wishes to solve the whole problem of unemployment by having a massive board, a massive bureaucracy. What we in our party are trying to do is to bring as much economic justice as we can and to streamline the process at the same time.

Similarly the bill, while it is entitled An Act respecting the Restraint of Compensation in the Public Sector of Ontario and the Monitoring of Inflationary Conditions in the Economy of the Province, instead uses a sledge-hammer. It restrains not just compensation, but the right of free collective bargaining with all that it entails, the right to move eventually to arbitration and to strike. It removes that right and that natural conclusion from the public sector workers.

I believe the board is going to find itself caught in dispute after dispute as to whether the employer has bargained in good faith on what I would call, not nonmonetary but noncompensation issues. They would be issues I would narrowly define as having nothing to do with wages and direct fringe benefits.

We believe that will bog down the Inflation Restraint Board in a totally abnormal, unnatural—

Mr. Chairman: The board.

Mr. Wrye: I said Inflation Restraint Board, Mr. Chairman. I have said it more often than my colleague the member for Etobicoke said it this afternoon. I have tried to put it in at least once every four or five minutes.

Mr. Bradley: Keep it going.

Mr. McClellan: Wrap it up.

Mr. Wrye: My friend the member for St. Catharines (Mr. Bradley) said to keep going.

Mr. Cooke: We know the member for St. Catharines doesn't always mean what he says.

Mr. Wrye: I believe—and these are not just my views but the views of my constituents—it is very important that the Inflation Restraint Board spend most of its time making sure that price increases in this province are also part of the five per cent world, that the gouging stops and stops immediately and that my friend the Minister of Consumer and Commercial Relations (Mr. Elgie) gets his act together on rent controls and on a number of issues.

We believe this government should get its act together in terms of price increases and should stop playing little word games on things like the Ontario hospital insurance plan and Ontario Hydro and so on.

We believe the Inflation Restraint Board will unnecessarily and unnaturally get bogged down in dispute after dispute on good faith bargaining on what employees can do to get justice when the employers say, "Well, we have this bill in place and quite frankly, friend, we do not have to bargain with you." We believe that it should not have to be the role of the Inflation Restraint Board, as defined in clause 1(a), to have to adjudicate those problems and disputes.

When our amendment is presented, I am sure it will be supported by my friends on the left; they may wish to further amend the bill to include compensation and the House will deal with that as it sees fit. But I am sure from what I heard in the standing committee on administration of justice that my friends on the left and perhaps some government members, certainly the Minister of Labour (Mr. Ramsay), who is in his place, would understand that natural collective bargaining should continue with normal procedures and in as normal a way as possible throughout the life of this act should it come into force.

In my judgement, it is simply asking for immediate trouble for the Inflation Restraint Board and, in the long term, for the collective bargaining process, for us not to free up as wide an area of collective bargaining as we can during the restraint period to allow it to apply on grievances, on scheduling, on the addition—for example, with teachers—of staff under Bill 82, for protection for women on video display terminals and in a number of other areas, and to allow it to move ahead as it has done normally and totally freely in the last several years.

Subsection 12(5) will cause enormous problems for the Inflation Restraint Board. A number of those problems, in my view, have already emerged. Even those who are dispensing advice in this interim period have tried to dispense

advice as to whether merit increases—and I would remind you they are merit increases in the widest sense of the word, which can occur for anything from length of service to meritorious work and a lot of elements in between—as defined in clauses (a) to (e) will bring a public sector worker up to and beyond \$35,000.

8:30 p.m.

In the amendments the government has proposed, which we find wholly and totally inadequate, we notice it has tried to wrestle unsuccessfully with that very problem. That was brought home to us, time and time again, with specific example after example in our committee hearings. We heard only 70 or 72 groups in a short, two-week period—we would have heard 77, but the member for Oshawa (Mr. Breaugh) decided to cut off debate and cut off the public hearings. If in that two-week period we could hear as many examples as we heard, it seems to me the Inflation Restraint Board will find out there are literally hundreds of problem areas out in the public sector.

Again, I do not think it is useful to have a bill that is complex and complicated and puts some workers in double jeopardy and others in triple jeopardy. It ought to be put up to the board to try to sort out the confusion this government is creating. When our amendment is put, it will take that confusion away from the Inflation Restraint Board. It will simply scrap the provisions for merit pay increases.

There are a large number of other items. I do not wish to prolong the debate because—

Mr. Roy: Go ahead. The New Democrats took four or five hours.

Mr. Wrye: It seems to me it is very important that we give the Inflation Restraint Board not only the time but also the power and the ability so that it does not get caught up in a whole host of problems on the wage side. If there is a problem, let us err on the maximum side. Let us mandate within the confines of restraint, if that is what we wish. Let us mandate the maximums. Let us not fool around and try to fudge figures and set one public sector worker off against another and one board against another.

If the government truly believes there is an economic emergency, let us recognize that the public sector is being asked to make a tremendous sacrifice. Not only are they being asked to make a sacrifice, but also they are being asked to fight for every scrap they get in the next 12 months, which is absolutely wrong and beyond the pale. Public sector workers should not have

to go to the Inflation Restraint Board repeatedly to bargain nonmonetary issues, to get their nine per cent and their five per cent, to make sure that somebody does not play games with them on merit increases and a whole host of other problems.

If this government wants to suggest to the public sector workers that it plays a role in this era of restraint, it should say that clearly by moving as distinctly as it can to maximize the benefits, wages and otherwise, that those workers will receive in the next 12 months. At the same time it should untie the hands of the Inflation Restraint Board, fair prices commission, or whatever we want to call it—it does not matter a whole lot. That is the issue: Do not make the workers fight night and day because the people opposite wrote a lousy bill. That is what it is, a lousy bill.

Mr. McClellan: You already voted for it twice.

Mr. R. F. Johnston: And he will again.

Mr. Roy: Have you guys not taken enough time in your own speeches without interrupting—

Mr. McClellan: Am I wrong, Albert? Did he not vote for it twice?

Mr. Roy: Where are your manners over there?

The Deputy Chairman: Order.

Mr. Wrye: If we could untie the hands of the Inflation Restraint Board on the wage side, and untie them, quite frankly—and I make no apologies for it; I am not particularly proud of it, because I do not like urging restraint on any sector or urging any lack of free collective bargaining; I do not like that at all—

Mr. Mackenzie: You told us you wanted it for everybody.

Mr. McClellan: The Leader of the Opposition (Mr. Peterson) wants it for the private sector.

Mr. Wrye: I agree with that.

Mr. McClellan: Why don't you say it out loud?

Mr. Wrye: I agree with that, I say to the member for Bellwoods. But then again, he and his party wish to continue to live in a fairy tale world where there is no economic emergency; there are only 1.5 million people unemployed. To them the money will mysteriously make an appearance. The millionaire is coming in later tonight, I guess, only this time he had better be a billionaire.

We believe that if we can unfetter the hands of the Inflation Restraint Board as defined in

clause 1(a)—so I can indicate to you that I am speaking on the amendment, Mr. Chairman—there are many things the board is bound and ought to be doing on the price side, and it will take all the time and all the efforts of the board to ensure there is no price gouging.

For example, we believe that section 27, which now says, "(1) The minister shall establish economic criteria by which price increases shall be reviewed," and he can refer those increases to the board, ought to be widened and not only allow the minister to refer those to the board. Frankly, we do not trust any of those guys over there; we have already seen the Minister of Energy (Mr. Welch) wring his hands and suggest to this House—and if I were not so filled with disbelief, it would gall me—that in the five per cent world, 8.2 per cent for Hydro is just fine and dandy, thank you very much.

Interjections.

The Deputy Chairman: Order. The member for Windsor-Sandwich has the floor.

Mr. Wrye: If, with the support of those who are so holy on our left, we ever get our amendment to the floor—not their amendment, because I do not know whether they have any on the price side other than their silly amendments on clause 1(a)—if we ever get our substantive amendment to the floor, which would allow the people of this province to refer price increases to this board for investigation, we believe and accept that it would create a lot of work for this board to do, because I, for one, believe there are a lot of unfair price ripoffs going on.

I say to this government that under this act as it now stands the board is going to spend all its time worrying about the wage side for two reasons: first, because the bill is so messy and so fraught with difficulties that it is going to spend night and day just trying to sort out that section; and second, because I do not believe any minister in that group over there will ever refer a price increase to this board. I do not think they care about price increases, because they know where their bread is buttered.

8:40 p.m.

An hon. member: You don't know what you are talking about.

Mr. Wrye: Let the minister tell his friend the Minister of Energy that 8.2 per cent is five per cent.

The Deputy Chairman: The member for Windsor-Sandwich is speaking to clause 1(a) of Bill 179.

Mr. Wrye: Tory mathematics; that is the problem with the government over there. That is the kind of mathematics it has been practising in this province for far too long. When is a deficit not a deficit? When the Tories introduce it.

The Deputy Chairman: It has been drawn to my attention that the honourable member who normally sits in seat 37 is in seat 36. The honourable member should carry on. As to any interjections coming from other than one's own seat, that honourable member will have to be advised.

Mr. Wrye: I suggest it is very important that we not only give the board the ability by removing the problems on the wage side but also allow it the scope not only to receive price increases from ministers, if it ever will, but also to receive them from the ordinary taxpayers in Ontario, public sector workers, private sector workers, owners or members of the Legislature from wherever.

I think it is important and so do my constituents. An overwhelming number believe the major problem, and this government and the minister have not yet recognized it, is that this so-called anti-inflation program will live or die, in the view of the public, on whether the wage controls, which are so carefully written and which are so lacking in any loopholes, are accompanied by tough price controls.

Speaking to clause 1(a), I say with respect to my friend the Minister of Natural Resources, that is why I am sure that if this bill were toughened in the way we would toughen it, the Inflation Restraint Board would have an opportunity to investigate and report on the 8.2 per cent increase that Ontario Hydro has been given.

I invite the government to accept our amendment, because I am quite confident that once we asked the board for such a report, it would in its wisdom roll back that increase from 8.2 per cent to five per cent and make Hydro part of that five per cent world.

Mr. Roy: What about all those rent increases?

Mr. Wrye: My friend the member for Ottawa East (Mr. Roy) talks about rent increases and he speaks with a certain sensitivity, coming from a community where rent increases are out of control. Mr. Chairman, I will not carry on long on this, because I know your patience was sorely tried on rent issues before the supper adjournment, but my friend the member for Ottawa East is so correct.

If we can empower not just ministers but also individuals to come before the board and say, "The landlord is not living in a five per cent world and he ought to be, because I am," it seems to me the board's work is going to be cut out for it. It is going to have a lot of work to do. I do not want to suggest that all landlords are like this, but there are a number of landlords, a large enough minority with diversified enough holdings, that the board is going to be caught up in a great amount of work to make sure the tenants of those buildings are protected.

I do not wish to prolong this debate, because we look forward in the next hours and days to placing our amendments before the House, but I want to suggest that my friend the member for St. Catharines (Mr. Bradley) put it so well last Thursday night that I thought it might be worth repeating.

If we cannot move ahead on this bill, if we cannot move from clause 1(a) and move on smartly and directly to the substantial amendments our party will propose and to the amendments which my friends on the left suggest are substantial and substantive—and I have not seen any yet, because the amendments they have proposed so far have been nothing short of silly—

Interjections.

Mr. Wrye: What we need is substance, not definitions—not some definition as to whether we have a fair prices commission or an Inflation Restraint Board, as if that is important. What is needed is amendments of substance—whether we will have a five per cent world for Hydro, whether we will have doctors in the plan, whether we will have a five per cent increase for the Ontario health insurance plan, whether we will have notching. Those are amendments of substance.

Mr. Martel: And the government will vote against them.

Mr. Wrye: My friend the member for Sudbury East, with his usual cynicism, suggests the government will vote against them. Did my friend the member for Brantford (Mr. Gillies) tell the member for Sudbury East (Mr. Martel) that? Did my friend the member for Oxford (Mr. Treleven) tell him that? Or was it the member for Mississauga North (Mr. Jones)?

Mr. Martel: The government House leader.

Mr. Wrye: The government House leader is just one vote. How many votes is my friend?

Mr. Martel: You are even sillier than I thought.

Mr. Wrye: I simply suggest that my friends on the left are once again, in their usual way, anticipating democracy.

Mr. Martel: No. We have been told.

Mr. Wrye: I suggest the important issue now before us is not whether clause 1(a) will carry but whether the opposition will have the opportunity to convince this Legislature—each of its 125 members—that every one of our amendments is important.

The problem we are facing now is that we have a government that is determined to ram through its bill. It really does not care a lot about our amendments because it did not write them into the bill. Individual members might want to vote for them but the government party, the cabinet, did not write these amendments into the bill; so obviously they are not their priority.

But more important we have a party to my left that is desperately afraid—that is the only way I can put it—that is desperately afraid that just one of our amendments will make it to the floor, because then the jig will be up for that party. Then they would have to vote yea or nay or clear out. They would have to say yes for due process or no.

The Deputy Chairman: We are speaking to clause 1(a).

Mr. Wrye: If we can get off clause 1(a), which our friends on the left desperately do not want, and get to the substance, and if they do not like it—

Interjection.

Mr. Wrye: Does the member for Sudbury East want to deal with section 34 next? Why does he not suggest that to the government House leader?

Mr. Martel: Let us deal with bills in the order that the sections come.

Mr. Wrye: That is right. Of course we will.

Let me suggest to the member that when the public sector workers are short money in their paycheques, when they are short rights that might have been given back to them, he need not come to anybody looking for a scapegoat. The only scapegoat is the New Democratic Party, which has made and continues to make a mockery of democracy.

Mr. R. F. Johnston: Mr. Chairman, I am pleased to follow in the rotation after the Conservative speaker, and I noted the applause from his back-benchers and front-benchers on his position there.

I realize that in the precedent of the latitude

that was given the member for Windsor-Sandwich, and perhaps even my own colleague the member for Etobicoke, that I have free rein here to talk about anything I want as long as I say every few minutes the words "Inflation Restraint Board." That seems to be the rule. But I will not succumb to that, Mr. Speaker, you will be pleased to know.

But I will be speaking to the name of this board—which means the Inflation Restraint Board.

Hon. Mr. Norton: Have you figured out your own name yet?

Interjections.

Mr. R. F. Johnston: Is it not good to have the Minister of the Environment (Mr. Norton) here?

The Deputy Chairman: Order. Do not allow yourself to be distracted by any of these interruptions.

8:50 p.m.

Mr. R. F. Johnston: One might well ask, especially if one is in an effusive mood such as the minister is in tonight, "What's in a name?" That conjures up all sorts of Shakespearean kinds of things. The name is very important. It is important because it supposedly represents and signifies that which you are dealing with, whether it is a person or a thing, in this case a thing that is going to be called an Inflation Restraint Board.

I suggest that this name is dissembling, deceitful and fraudulent, and it does not apply to the thing we are dealing with here.

There is a statement that a rose by any other name smells the same; but so does skunk cabbage, and this is skunk cabbage. Liberals also smell the same, no matter whether they are a community party or whether they are in a situation. The kind of garbage we have heard here tonight about hypocrisy is simply outrageous. The aspirations to power have gone to the heads of these people. They think that they now are part of the executive wing, that they now are part of the Tory caucus, that they now have some say in putting through this legislation.

In the delusions of grandeur they are suffering, they believe that substantive amendments to this bill actually will be passed by the Tory government. My God, it is either colossal hypocrisy and they are playing the game out because they are now accepting closure and saying that is admissible in this game, or they actually believe it.

The Deputy Chairman: The member will speak to the motion.

Mr. R. F. Johnston: They actually believe the Inflation Restraint Board legislation will be amended to meet their needs. That is garbage. That is skunk cabbage, as is the name of this bill and the Inflation Restraint Board.

Mr. Nixon: You never gave it a chance.

Mr. R. F. Johnston: The member for Brant-Oxford-Norfolk says we have never given it a chance. Let me just say that at a meeting today the government House leader made it very clear that he would not support any substantive amendment. If the honourable member's House leader reported to him, he would know that. If he knows that, why bother playing along with these people?

The Deputy Chairman: Order. The motion before the House has to do with clause 1(a). I ask the member to deal with Bill 179, clause 1(a).

Interjections.

The Deputy Chairman: Order. Will the member carry on and speak to 1(a)? I think that is the reason these interruptions are taking place.

Mr. R. F. Johnston: Mr. Chairman, I am speaking against the name, "the Inflation Restraint Board," because I believe it is phoney; I believe it is a fraudulent name which does not represent what this bill is all about. Therefore, I am suggesting that any decision to support it, any decision to vote twice for it already and then claim they are going to put in amendments to make this an Inflation Restraint Board when they know the government is not going to accept them, is as hypocritical as this darned legislation and the name of this board. It is just as hypocritical.

These people here to my right—and I stress, to my right—talk about the sacrifice, that we all have to say openly to our public servants that they are now expected to sacrifice, and that we should be sort of putting that up as a positive thing for them to be doing and not understanding that they are not sacrificing, they are being scapegoated. For them then to try to stand up twice and vote for this Inflation Restraint Board, which is not an Inflation Restraint Board but which is a scapegoating of the workers of this province who work for this government and for the people of this province, is hypocritical just as the name of this bill is.

Hon. Mr. Norton: What about those people in the private sector who are out of work?

Mr. R. F. Johnston: That is exactly the point.

This does not do one darned thing for those workers.

The Deputy Chairman: I recognize the member for Ottawa East on a point of order.

Mr. Roy: Mr. Chairman, in your long experience sitting in that chair you will obviously know that the honourable member keeps using a word that has been already ruled here by the Speaker to be unparliamentary, and that is the word "hypocritical." I think you know that, Mr. Chairman.

It is an offensive word, especially coming from a party that is obviously—as we call it in French, *les marionnettes*—the puppets of other forces in the community. When one calls us hypocritical, he should be brought to order, Mr. Chairman.

The Deputy Chairman: I appreciate the member for Ottawa East bringing up that point. As the member for Scarborough West proceeded, I was carefully trying to see—because I knew he was walking that fine line—that he did not call any particular person that kind of being. He was walking close to it. In fact, I asked the table to listen closely. I concede the floor to the member for Scarborough West.

Mr. R. F. Johnston: Duplicity, as I recall, is an acceptable word.

The Deputy Chairman: I thought the honourable member was going to indicate that he was repeating himself a little bit.

Mr. R. F. Johnston: Fine, Mr. Chairman. I am sure you will bring that to my attention without the help of the member for Ottawa East.

I think it is imputing motives by the member, if I might say so, to suggest that this party is a marionette of anybody or any group. We are standing here on what is a very important principle to us. For whom are we marionettes? Stand up and name them.

Mr. Roy: Labour leaders.

The Deputy Chairman: We are getting off the bill. We are still on clause 1(a).

Mr. R. F. Johnston: We have been accused of being marionettes of the labour leaders.

The Deputy Chairman: Order. On clause 1(a).

Mr. R. F. Johnston: Yes. This is the Inflation Restraint Board, which should not be called the Inflation Restraint Board. It should be called the public sector wage expropriation board. It should at least be called what the title of this bill is, A Board respecting the Restraint of Compensation in the Public Sector of Ontario and the

Monitoring of Inflationary Conditions. Even that is not quite accurate.

Maybe it should be called the cost pass-through bill, maybe it should be called the arbitrary powers bill, or maybe it should be called the "We selected you as scapegoats" bill, saying, "We are going to ram it down your throats, but if we were a Liberal government we would make all workers the scapegoats for the problems that have been inflicted upon by the government of this province and this country." Those are the titles that this bill should be given. It is a dishonest piece of legislation, and this name is totally dishonest.

Let us look at what this name says: Inflation Restraint Board. I suppose inflation restraint is the next stage of inflation wrestling. We have seen the inflation wrestling techniques of the federal government and how they failed. Now we are going to see the inflation wrestling techniques of the provincial government.

Who are we wrestling here? We are wrestling 500,000 workers, many of whom are not highly paid workers. We are taking money out of their pockets which they have already bargained for with this government, which I am sure the Minister of Labour (Mr. Ramsay) would admit has been their right. Now that right is being abrogated.

Are we affecting inflation at all? Are their agreements inflationary? Have they been causing inflation in this province? Surely the answer has to be no. I would say the real effects on inflation are interest rates, energy prices—whether oil or hydro prices—the price of food and the markup by the food processing and distribution networks, and the cost of housing.

Those are the inflationary aspects in our province. Those are the things that are getting out of hand. Those are the things that are making it difficult for the average person to get by. Those are the things that have made it impossible for small business to survive. That is the inflation that needs to be fought.

I respectfully say that this is fraudulent. It does not fight those basic causes of inflation. What it does instead is turn on a whole group of people who are earning often below the average in this society—certainly a heck of a lot less than members of this House are earning, and many other people in this society who are not being touched by this bill in any way at all—and who are finding it harder to get by in our society today.

We decided we were going to make them the examples. We are going to say: "You are the

causes of inflation. This government is attacking you first. That is why we are having an Inflation Restraint Board to attack you, the civil servants." The people on my right, the Liberals, say: "You are right. We want to make it a little fairer in terms of the way it is applied." But that basic unfairness of picking on scapegoats is accepted by this party on my right, the Liberal Party, the community party, the anti-labour party, as we have just heard. They are essentially saying they will offer up amendments that will take this fundamentally dishonest bill with a fundamentally dishonest title for the board that will have its powers, and will somehow amend it and make it into the silk purse that—

Hon. Mr. Norton: You are a fundamentally dishonest speaker. You are misquoting facts tonight.

Mr. Martel: Not on your life.

9 p.m.

Mr. R. F. Johnston: I would like that withdrawn, Mr. Chairman.

Mr. Martel: Is he going to withdraw?

Mr. R. F. Johnston: "Fundamentally dishonest" is what I heard. I do not believe that is acceptable, Mr. Chairman.

Hon. Mr. Norton: Mr. Chairman, if I am not mistaken, I understood the honourable member to indicate that there were two principal areas of pressure for inflation, one being food and one being housing. If he looked at the record and the facts in this country, he would find that food and housing were both under five per cent in the past year. That is, in my opinion, inadvertently misleading.

Mr. Martel: Mr. Chairman, are you prepared to make him withdraw?

Mr. Chairman: The Minister of the Environment indicated that—

Mr. Martel: No, no. He has not withdrawn, and I suggest—

Hon. Mr. Norton: I cannot, obviously, attribute the lack of knowledge to the member that he has expressed—

Mr. Chairman: Would you withdraw it?

Hon. Mr. Norton: Sure. I will withdraw it, as a personal comment, but I think it is also important that those people in the Legislature tonight understand that he is speaking from a very limited base of knowledge, so come clean.

Mr. R. F. Johnston: Thank you for your rough handling of that minister, Mr. Chairman. I would remind him of the rules of this House.

You are not to give speeches when you withdraw. You are to withdraw, and then make your speech afterwards, if you choose to, on a point of order of some sort.

Speaking to the definition before us, which is of an Inflation Restraint Board, I would like to look at inflation at the moment—

Hon. Mr. Norton: What are the inflationary rates for food and housing? Come clean, let's have some facts.

Mr. Martel: You would not recognize them if they hit you between the eyes.

Hon. Mr. Norton: For the past year we have heard these nonsensical generalizations. Let's have some facts. It is easy to spill off these generalizations.

Mr. Martel: Are you going to control him, Mr. Chairman?

Mr. R. F. Johnston: I would like to talk about some facts, about the people whom inflation hurts and why we need to control it.

Hon. Mr. Norton: No, no, that is not what you were saying. You were making some generalized statements about the role of inflation and you were wrong.

Mr. Martel: Are you going to control him?

Mr. R. F. Johnston: I realize you are in an awkward position, Mr. Chairman, when a minister decides to act out in front of the Legislature, but I ask you to tell him not to write my speech but allow me to give it. I believe that is the right I would afford him.

Hon. Mr. Norton: It would be a much more accurate speech if I had written it for him.

Mr. Chairman: The member for Scarborough West, you have our undivided attention.

Mr. R. F. Johnston: I was trying to say that in my view the causes of inflation in this province are not the wages we have meted out to our civil servants or the agreements that have been made between this government and the civil servants, in a responsible fashion I presume, or those which have been arbitrated through a system established by this government with the civil servants. Those are not the causes of inflation in this province.

The causes of inflation are the interest rate policies we have accepted, the cost of energy which we allow continually to be passed through, the ability to speculate on housing and therefore to make housing costs exorbitant, and the high cost of food, not because of what the farmers get but because of what is done to the food and the costs that are added to it afterwards. I suggest

the victims of inflation are often the people whom you are now hurting with this legislation.

This government has now decided to take away money from those people who need their purchasing power for commodities such as energy, housing and food. This party to my right has decided that is fair and just. In fact, all we really need to do is make all the other workers in society subject to restraint as well.

Hon. Mr. Norton: You people do not understand the concept of equity, that is your problem.

Mr. R. F. Johnston: The concept of equity that is being put forward here is that because there are people unemployed, because of the failures of this government and the failures of the federal government, because those people are suffering, because those people are losing everything they have worked for, let us damned well make the civil servants suffer too. That is their notion of equity. That is damned well their notion of equity and that is what this bill is all about. It does not do one damned thing to control wages and the minister know this.

Hon. Mr. Norton: No, it is a matter of sharing. You people do not understand the concept of sharing.

Mr. R. F. Johnston: Sharing in the suffering, that is what he wants. How much is the minister suffering tonight? He can go to his damned limousine and drive home. With his \$65,000, or whatever it is he gets a year, he can put through this kind of thing on day care workers who are getting \$9,000 or \$10,000 a year. This is the most hideous piece of legislation that has been put through, and it cannot be passed off as some kind of equity by saying that because some workers are suffering they should all damned well suffer. That is exactly what this about.

Mr. Chairman: A little bit of parliamentary language, please.

Mr. R. F. Johnston: You do not like "damned"? I thought "damned" was parliamentary.

I believe in what I am talking about. The title of this bill is deceitful and duplicitous. It has nothing to do with what this bill is all about. It is not speaking to it.

Hon. Mr. Norton: It is an NDP title.

Mr. R. F. Johnston: God help us.

The wealthy are not hurt by housing costs. The wealthy in our society are not hurt by high interest rates. They profit by high interest rates. The people who are affected by inflation, who need help because of inflation, will not be getting anything through this Inflation Restraint

Board notion. Senior citizens, no matter what the Provincial Secretary for Social Development (Mrs. Birch) says, have now been cut off by the federal government with, I presume, the support of this provincial government. They have been cut off from the normal indexing of their pensions to try to keep up with inflation. They are the people who are suffering, and this Inflation Restraint Board does not do one thing for them.

People on welfare—as you know, I am fairly profoundly involved in that issue, Mr. Chairman—received increases this November, most of them in the neighbourhood of five per cent, to help them against inflation, although since the last time they received an increase inflation has gone up 26 per cent. If we wanted an Inflation Restraint Board, it would be one that would help them. February 1981 was the last time those people received more money, then five per cent in November 1982.

During that period the cost of living went up 26 per cent, the cost of milk went up 30 per cent. The cost of a quart of milk for one of those people cost as much as it does for me at \$42,000 a year and with a five per cent increase that leaves me not badly off. They are the people who are suffering. If there was a real Inflation Restraint Board worthy of its name, those are the people it would be directed to supporting. Instead we get \$52 million as a supposed recession package from the Minister of Community and Social Services (Mr. Drea) to protect these people.

Hon. Mr. Norton: Mr. Chairman, on a point of clarification: I think it is important that the honourable members in the House understand that the facts just quoted by the honourable member are not accurate. He made reference to the recipients of public assistance in this province receiving an increase of five per cent. In fact, that was the minimum, and many of them received as much as a 17 per cent increase.

Mr. R. F. Johnston: Just to be very clear about that, although it is very possible that a single employable male in Toronto has now been selected as a worthy recipient and may receive up to 17 per cent, around the province—

Hon. Mr. Norton: I just want to give the complete picture. The member is distorting it. 9:10 p.m.

Mr. R. F. Johnston: No, I am not. Wait for it, as they say. Around the province there are

people who are receiving less than five per cent and there are people who are receiving nothing.

Hon. Mr. Norton: Who?

Mr. R. F. Johnston: Check with the minister if you don't know; and you should know.

Hon. Mr. Norton: I don't know. I am asking you. You are the one who is making the statement. Who?

Mr. R. F. Johnston: People who are living with other individuals, people who may be living with somebody who is unemployed, a disabled individual who may be living at home—those people are not receiving one dime more.

My point is—and the ex-Minister of Community and Social Services, who has now gone off to some environmental dump which is obviously affecting his head, knows it very well—that the last increase those people received was in February 1981. They received seven per cent before that, and the increase in the cost of living was 26 per cent. Some of them, if they lived in Toronto where the costs are highest, may have received 17 per cent, but the vast majority received only five per cent and some received nothing.

My point, to come back to the definition, was—if the minister can keep his attention on it for a bit—that this Inflation Restraint Board—

Hon. Mr. Norton: On a point of order, Mr. Chairman.

Mr. Chairman: There is nothing out of order. What is out of order?

Hon. Mr. Norton: I would simply ask, Mr. Chairman, that you address yourself to the relevance of the comments of the honourable member to the name of the board.

Mr. Chairman: Order. He was.

Mr. R. F. Johnston: Mr. Chairman, how many times do I have to put up with this? At some point I hope I will be allowed the possibility of developing an argument and not be interrupted, as I have been by the minister.

Mr. Chairman: The difficulty I have with that, as all members know, is that interjections in these chambers are allowed. A speech is not allowed as a continued interjection, of course. However, we will do our best to restrain the Minister of the Environment.

Mr. R. F. Johnston: Mr. Chairman, if this were a real Inflation Restraint Board there would be something in this bill establishing this Inflation Restraint Board that would have protected family benefits mothers, who received five per cent in additional income this November.

If some notion of fairness, some notion of protecting the weakest in our society were involved in this anti-inflation battle instead of just a mean-spirited attack on the civil servants of this province, then there would have been money or some protection and some admission in other programs that there was a need for more money for mothers on family benefits and there would have been some recognition of the fact that a person on a minimum wage in this province is hurt far worse by inflation than the minister or I.

But we have not seen any move to get us out of 13th position in minimum wage in this country. Only Newfoundland pays people less. We have seen no suggestion that this government is going to protect those workers from the ravages of inflation. If this were an Inflation Restraint Board surely it would be directed at protecting those people. But it does not, and that is why it is fraudulent.

The Minister of Labour (Mr. Ramsay) is here. We have heard the people on workmen's compensation asking for some more protection against inflation. We have had no action, and yet we are supposed to buy the notion that this is an Inflation Restraint Board that is worthy of its name, that is worth putting up amendments for to try to turn it into something useful, when in fact it is a totally destructive piece of legislation that does not protect the poorest among us and turns savagely on the people who keep the members opposite in power, turns savagely on the people who make its programs work.

How consistent is this? If this were a real restraint board surely it would be consistent with other government action to protect us from the causes of inflation. For instance, if we did not believe in inflation and we needed to fight it, we as a government would not have brought in an ad valorem tax on gasoline, something that increases the revenues and the cost of gasoline extra each time the price is raised at the wellhead; surely we would not have accepted that as a notion and we would not suggest that the costs of energy should be passed through, as we do in this legislation.

If we really believed that we needed to protect people from the ravages of inflation, would we have increased the sales tax, which affects the poor more than it affects the wealthy? No, we would not. This is not an Inflation Restraint Board, because such a board would protect people.

Mr. Rotenberg: How do you know it would not?

Mr. R. F. Johnston: Because we have had good indications. It is always nice to have the interjections of the member for Wilson Heights. I have donkeys at both ends here. Sorry, I withdraw that. I have been upset by the minister at the other end and I apologize for that. I have been called an animal name in here myself and I did not appreciate it. I should not do it to anyone else.

If we believed in anti-inflation and needed a board to protect people, surely we would not allow the Ontario health insurance plan premium increase to pass through, but we do.

Mr. Roy: You won't control anything with your filibuster.

Mr. R. F. Johnston: If they wanted to put it in, they would have put it in. They have denied any number of times they had any intention of covering it.

Mr. Roy: You guys are against our amendment. How can you speak against inflation when you are undermining our amendment?

Mr. R. F. Johnston: You know they will not pass it; stop play-acting.

The Treasurer (Mr. F. S. Miller) and the Premier (Mr. Davis) both said OHIP premiums will be passed through. They said it was right that they be passed through and that they should not be covered by this legislation. There again, those premiums affect the poor more adversely than they affect people like myself. This cannot be taken seriously as a piece of legislation.

Does the government actually believe this is an actual attempt to control prices and costs? Is it saying the reason it does this to the civil servants is because they are protected, because they have it fine at the moment? Is it saying it is only the people who are being laid off in plants and factories around the province who are really hurting, and these other people have got to learn how to suffer?

If it is saying this, maybe we should see there is total job security in the civil service. Maybe we should see there is some connection between this Inflation Restraint Board and the lack of cutbacks. Look at the groups at the back of this bill who are covered by this board. Look at what has happened to a lot of those people.

Mr. Rotenberg: We are not there yet.

Mr. R. F. Johnston: I am talking about the title of the bill and the reason why this is not an Inflation Restraint Board. It is punishing people. The reason I raise this is because we have seen several instances lately of further cutbacks in government—the Art Gallery of Ontario and

cultural groups listed here under the Ministry of Citizenship and Culture, or in family counselling. People are being laid off now in various areas around the province. Workers in developmentally handicapped institutions have to learn to sacrifice and take a wage cut.

They are also learning that 1,100 of them are not going to have jobs, that those jobs will be lost. This legislation is duplicitous. The government is making them suffer in two fashions. Their wages are reduced now and then their jobs are going to be taken away from them. To pretend that is not going to happen is fraudulent and deceptive.

I would like to draw one comparison in terms of priorities and restraint. Through negotiations with our doctors, this government decided we should, over the next couple of years, give from our Treasury something in the neighbourhood of \$700 million as an increase to these 14,000 or 15,000 people. That is a statement of our value of that profession. It is a statement of their worth to us in Treasury terms. I think it must be seen as a statement of our lack of concern about inflation. This fall, we gave \$52 million to several hundred thousand people who are at the lowest level of income in this province. It is a sham as restraint—

Mr. Rotenberg: What has that got to do with this bill?

9:20 p.m.

Mr. R. F. Johnston: I will tell the member what it has to do with the notion of inflation restraint and the lack of protection for those who are suffering most under inflation while giving out huge sums of money to those people who do not need more protection from inflation. The name of the board is the Inflation Restraint Board.

Mr. Rotenberg: That's right. Are you against that?

Mr. R. F. Johnston: All I am saying is that by giving that much money to doctors, we were saying there is no problem with inflation. To put \$700 million out to that area at the same time as we punish people at the lower level with \$52 million for 200,000 or more of them is just skewed priorities. The fact is this government is not concerned about inflation at all or it would have put its foot down then.

In these times, it is interesting whom it decides it wants to break contracts with and whom it chooses to rip up agreements with. I am

not advocating it rip up its agreements with the doctors.

Mr. Boudria: We were wondering.

Mr. R. F. Johnston: I want to make clear to the member for Prescott-Russell that I am not advocating that at all. What I am saying is, how can it live with the fact it has put that much money into doctors' hands and does not see that as a major inflationary cause in comparison with the amount of money it is dealing with for these many more civil servants, 500,000 or so of them? It will control the one group but not the other. It is hypocritical and it cannot be supported.

Hon. Mr. Norton: Mr. Chairman, that is unparliamentary.

Mr. Chairman: It was not directed to a specific individual.

Mr. Cooke: Why don't you leave the House, Keith?

Hon. Mr. Norton: I have to sit here to keep you in check.

Mr. R. F. Johnston: Mr. Chairman, I did not want to spend a long time speaking but I was a little angered, if I might say so, by the—

Hon. Mr. Norton: Don't disappoint yourself. You can stop any time.

Mr. R. F. Johnston: I was a little disappointed and angered by the role of the Liberal Party in this, with its notion that somehow because we have decided to fight this thing doggedly—

Mr. Rotenberg: Spelled filibuster.

Mr. R. F. Johnston: He can spell "fight" any way he wants. He spells Inflation Restraint Board any way he wants, does he not, but it does not mean anything. There is no way we can change this into a real Inflation Restraint Board. There is no way we believe anything will be done by this government to turn this into a good piece of legislation that would protect the poor people in society from the ravages of inflation, get people jobs to help them fight inflation and stop profiteers from speculating in land and profit. There is nothing in this that does that. There is no control and we do not believe we can change it.

It is not our job to play through some charade that is going to move amendments and play-act out every little issue when we know the government is going to defeat them all. We have seen the lack of willingness of this government even to bring before us in committee ministers we thought we needed to talk to. We have seen no movement or inclination at all by this govern-

ment to accept any of the kinds of amendments that would be raised.

The Inflation Restraint Board established under this legislation is a mockery of due process. It is not the kind of thing any honourable government would bring in in terms of protection of the rights due to members of society. It may very well be contrary to our Constitution. The government may want some help in making it a little more closely aligned to the new Charter of Rights so it would guarantee due process a little more than it does. It may want to give it some of the powers that are normally given boards under the Statutory Powers Procedure Act instead of the totalitarian power you have given at this point.

Do not expect us to help you do that. We have no intention of assisting you in doing that at this point. It is your bill, you live with it. You are the ones who have introduced it on the premises it is based on, these false premises, with a false name, a charade of government action that says, you are doing something to change around the economy of this province when you know you are not; a charade that is going to be very painful for the workers in the public sector.

The Liberal Party may want to play the game out—and I think they are very relieved to see closure, if I read their communique properly—and can list out all the ways they would try to change this bill to make it a better bill. They are doing that now because they know there is no chance for it to go through.

Do not expect us to turn this into some piece of useful and progressive legislation because it is not possible. You are stuck with it. Those of you who say we have fears of this process that we have been through, and this extended debate and fight that we have been putting up and that we are supposedly delighted to see an end to this, you are just dead wrong. We feel absolutely vindicated about fighting this—

Hon. Mr. Norton: Mr. Chairman, on a point of order: I must say that I feel it is incumbent upon the speaker, if he is going to talk about degrees of pain, to quantify the pain that is experienced by a five per cent increase as opposed to the pain that is experienced by the hundreds of thousands of people in the private sector in Ontario who are unemployed at the moment.

Mr. R. F. Johnston: I suppose the logical extension of what the minister is suggesting is that if we want equity we would be even rougher with these people, make them really feel more pain.

Hon. Mr. Norton: If you are going to talk about pain, talk about pain, let's not—

Mr. Cooke: That is no solution and you know it.

Hon. Mr. Norton: I know it is not in what you are—

Mr. Cooke: Where are the solutions?

Mr. R. F. Johnston: Why does the government not really decide to really savage these people.

Hon. Mr. Norton: Savage who? Cut out this nonsense.

Mr. R. F. Johnston: If you do not think this is enough to bring equity, Mr. Minister of the Environment—

Hon. Mr. Norton: Face reality.

Mr. R. F. Johnston: —why do you not go and physically abuse some of the members of your ministry if you think that will make them feel better.

Mr. Cassidy: Tell the minister to go to bed.

Mr. R. F. Johnston: Tell the minister to go soak his head.

Mr. McClellan: You are not supposed to use that language.

Mr. Chairman: Order. Did you say something that offended a lot of people? I am sorry, I missed it.

Hon. Mr. Norton: Let's not think that a lot of people in this province aren't experiencing pain today, because they are. You know that, so let's be honest.

Mr. Chairman: The member for Scarborough West has the floor, continuing with Bill 179, clause 1(a), "Board" means the Inflation Restraint Board."

Mr. R. F. Johnston: The Inflation Restraint Board which is not hurting, as the Minister of the Environment says, his civil servants, is not going to do one thing to help the 50-year-old SKF worker to get a job. It may make the minister feel better to know that somehow he is trying to equalize the levels of pain a little bit in the province, that a little bloodletting, if you will, in economic terms of his civil servants will somehow make up for the devastation that people in the private sector have undergone, but it will not do one thing for those people. In reality, it will not make those SKF workers feel better at all.

Hon. Mr. Norton: Mr. Chairman, on a point of order—

The Deputy Chairman: Is this a legitimate point of order?

Hon. Mr. Norton: Yes, it is. I think it is important that if the honourable member is espousing before the House this evening a class structure in our society in terms of protectionism, he come clean and explain in detail what it is he means. If he feels there is a class in our society that is benefiting—

The Deputy Chairman: The honourable minister is doing—

Hon. Mr. Norton: —at the expense of others, then say so. If you feel there should be some equity in our society then face up the facts—

The Deputy Chairman: The honourable minister is really entering the debate with what he calls a point of order. I realize that I have not been listening in detail to what the member for Scarborough West has been talking about, but I will just remind him that we are at 9:30 and we are looking for possibly moving forward within this bill.

9:30 p.m.

Interjections.

The Deputy Chairman: The member for Scarborough West. Pray, continue with your presentation on clause 1(a).

Interjections.

Mr. R. F. Johnston: Can you hear me?

The Deputy Chairman: I think they have got it out of their system.

Mr. R. F. Johnston: I would just like to say I will only be a few more minutes. The member for Etobicoke (Mr. Philip) wants to continue his dissertation, and perhaps the Minister of the Environment would prefer that.

The Deputy Chairman: Maybe we can move towards the vote.

Mr. R. F. Johnston: Mr. Chairman, the attitudes that have developed around this Inflation Restraint Board need to be looked at: the notion of how we decide to try in a false way to make it look as if we are repairing the economy while we take money out of the hands of people whom we already have contracts with that they should receive.

I just want to bring to your attention, if I might—

Hon. Mr. Norton: Falsehood is your corner of the market. I don't mean that individually or personally; I mean collectively.

The Deputy Chairman: The honourable minister has too many interjections.

Mr. Cooke: You are very observant, Mr. Chairman.

Mr. Foulds: Mr. Chairman, on a point of order: That particular interjection, I believe, should be withdrawn.

The Deputy Chairman: No, I did not hear it as being a specific reference to an individual. I call upon the member from Scarborough West.

Mr. Foulds: Mr. Chairman, may I ask for clarification? It is all right, therefore, to accuse people, as long as you do not name individuals, as purveying falsehood in this House. Is that correct? Is that your meaning?

The Deputy Chairman: Well, maybe the honourable minister could respond and clarify it so there is no intention of maligning the character or person of any other honourable member of this House.

Hon. Mr. Norton: Mr. Chairman, far be it from me to malign the character of the member for Scarborough West, but it was he who made the allegations of falsehood. I simply responded by saying that falsehood is not in our court, falsehood is in your corner. And that was not directed to any particular individual; it was simply returning the ball to his court.

The Deputy Chairman: I thank the honourable minister. Are we ready for the vote on clause 1(a)? No. The member from Scarborough West.

Mr. R. F. Johnston: It might seem useful to you, Mr. Chairman, to have a minister come in here and abuse the evening, as he has, as a means of trying to badger a speaker and interrupt a speaker, but it—

Interjection.

Mr. R. F. Johnston: I am not yet ready to stand down.

The Deputy Chairman: Order. I ask the member from Scarborough West to speak to 1(a).

Mr. R. F. Johnston: I have been speaking to the name of the Inflation Restraint Board.

Hon. Mr. Norton: After two months if you are not any further on than you are now then, by God, the people of this province will be disappointed in you.

The Deputy Chairman: Order, please.

Mr. Cooke: Kick him out, Mr. Chairman.

Mr. Foulds: It's about time the member for Kingston and the Islands (Mr. Norton) left this chamber.

The Deputy Chairman: Well, the tension is building in here, and I was hoping that the honourable member who has the floor would just continue with his presentation.

Mr. R. F. Johnston: You might understand that it is a little difficult at times to do so.

I was talking about the fact that in my view the Inflation Restraint Board is an improper name for the board we are establishing and that it does not in fact control inflation, does not restrain inflation; that because of the prices passed through, the real impact of inflation on prices is not controlled in any way at all; that there is nothing controlling the real problems of inflation that affect average working people in this province, 500,000 of whom are members of the civil service, except that you are taking their wages. You are now limiting the capacity of those people to meet the cost of inflation in our society, and somehow that is supposed to help them.

The Inflation Restraint Board, if it were worth its name, would be dealing with those issues and would in fact be a prices control commission, as we have suggested in the past. If it were worth the name Inflation Restraint Board its emphasis would not be on the wages of one particular sector in society with one group whose—

Interjection.

Mr. R. F. Johnston: If I had not seen that happen on so many other evenings, I would believe it was just an accident of wind; but I happened to have seen it many other times and I do not find it particularly amusing at all, if I might say so. We do not need any more encouragement of the kind of brouhaha we have been getting here tonight.

The Deputy Chairman: Just carry on with clause 1(a) of Bill 179.

Hon. Miss Stephenson: What is the member complaining about, his cough?

Mr. R. F. Johnston: I will tell you what I am talking about. I am talking about the phoney breaking of wind that we sometimes hear from the chair when certain chairpeople are in the chair and make—

The Deputy Chairman: May I ask the honourable member to speak to the bill and if the—

Mr. R. F. Johnston: I suppose you want to go back to it, and I do not blame you, but damn it, that just demeans the place.

Hon. Miss Stephenson: So what? He happens to have a cough.

The Deputy Chairman: Clause 1(a) is what you are talking to.

Hon. Mr. McCague: That certainly must make you proud.

Mr. R. F. Johnston: You're darned right I am.

The Deputy Chairman: I apologize that I coughed in the middle of your speech. I do so. I will be candid with you—

Mr. R. F. Johnston: It happened at a very inappropriate moment.

The Deputy Chairman: —I did so.

Mr. R. F. Johnston: Do not tell me it is not premeditated.

The Deputy Chairman: Speak to clause 1(a) and you have the floor. If you are not going to speak to clause 1(a) you will not have the floor.

Mr. R. F. Johnston: There is no control in this bill over rents, and many of the people who work in the civil service are renters, people who have not been able to accumulate enough money to buy a home. There is no control there.

Mr. Jones: It is under other legislation.

Mr. R. F. Johnston: If the member for Mississauga North has not been to a rent review hearing board lately to see what actually goes on, he will not have learned that these people are paying much more than the six per cent we had ideas about, or that they are getting a pass-through in their lodging costs which will be far in excess of what they are getting in terms of any kind of percentage of their wages. He is just kidding himself. It is not fair that these people should be singled out in that fashion when there is no real control of rents in this province.

The Deputy Chairman: I recognize the member for Wilson Heights.

Mr. Rotenberg: On a point of order, Mr. Chairman: With respect, I am listening to the member for Scarborough West. We are discussing clause 1(a), "Board" means the Inflation Restraint Board." I think we should be discussing that definition of the board. At this stage of the bill there is nothing about the restraint of wages; that is in part II. There is nothing in this bill about rent review. I would suggest the Inflation Restraint Board as such is not the part of the bill that deals with controls. I suggest the member save that part of his speech until we get to that clause. I ask that you ask him to stick to the definition of "board" only, Mr. Chairman.

The Deputy Chairman: I thank the honourable member for his help and I return to the

member for Scarborough West and ask him to speak to the bill.

Mr. R. F. Johnston: Could I have a ruling as to whether or not I have been?

The Deputy Chairman: I did not hear your question.

Mr. R. F. Johnston: I said can I have a ruling as to whether or not I have been?

The Deputy Chairman: You walk a thin line at times.

Mr. R. F. Johnston: I want a ruling. I want a ruling, damn it. I do not want to be interrupted continually. I want to know whether I have been speaking to the bill.

The Deputy Chairman: I have invited the honourable member to speak to the bill, and if I thought he was out of order at particular times I would bring him back to order.

Mr. R. F. Johnston: I would appreciate it if you would and if it was not being done from elsewhere. I would really appreciate the right to be able to speak tonight. Thank you very much all of you.

Interjections.

Mr. R. F. Johnston: Mr. Chairman, I had hoped that in this House we might have the right to present our ideas, even though they may not be agreed to by other members of the House, and not be badgered. If other members wish to speak afterwards, or wish to call a question of order for you to make a ruling on, I would appreciate it if they would do so, rather than standing up on a continuing basis with phoney points of order. For myself, not receiving any kind of ruling, it interrupts my train of thought when I am trying to make my points which I believe to be valid.

A little heckling I do not mind, but tonight has been a real shambles and I think an abuse of what we are up to here. You may disagree with my point of view on this. You may disagree with our right to stand and speak the way we have been, but damn it—sorry, Mr. Chairman—but it is there in the rules for us to do so and that is what I have been trying to do.

Mr. Stokes: Just say, "Gosh all hemlock."

Mr. R. F. Johnston: Gosh all hemlock. I thank the former Speaker.

Let me just summarize. The reason I am voting against this clause is because the name, in my view, is fraudulent. The name does not connote the powers that we are thus giving to the board which holds this name. For that reason it is an inappropriate name and in fact it

embodies the nature of the bill, which works on a false and dishonest premise.

This board neatly divides workers against each other. We have heard the interjections tonight which have asked me to compare the pain of somebody who has been laid off with the pain of somebody who is now going to have his or her wages rolled back. That is the presumption of this board and that is why the name is wrong. The name should say that is what this board is about, because what it is doing is scapegoating people.

9:40 p.m.

In a whimsical moment earlier on, I was looking at the definition of name and some literary notions of what's in a name, etc., etc., when I came across the definition of nameless. It strikes me that perhaps this board would be better to be left nameless and not named, because the definition of nameless is that it is indefinable, too bad to be named, abominable and loathsome.

I would suggest the board should be known as the Nameless Board because of the kind of thing it is perpetrating on workers of the province and not as the Inflation Restraint Board because that is not what it does.

Thank you for the opportunity of making this speech this evening. I appreciate all your attention.

Mr. Rotenberg: Mr. Chairman, I have been sitting here through two or three sessions of debating clause 1(a) and I find it one of the strangest debates I have been through.

We have heard words from the opposition such as dishonest, charade and so on. We have heard the word "misleading", not directed at any one member, but directed at the total government side.

If there is anything dishonest in this bill and I say there is not; if there is any charade and I say there is not; if there has been any misleading and I don't think there has been, but if any of that has happened, I would suggest that it has happened from the 22 members opposite and not from the government side and, in this case, not from the Liberal side.

If anyone is misleading the public, if anyone is misleading the civil servants in this province, if anyone is misleading the trade unionists and workers in this province, it is the members of the New Democratic Party by this debate.

I think the members opposite understand the rules of this House, I would hope they do. They are masquerading as if they do not. Either they do not understand the rules, which is not very

good for members who have been around for a while, or they are deliberately ignoring the rules, which is worse, because we have had a second reading debate on this which takes into account the principle of the bill and all of the ramifications.

What we have been debating for the last number of hours, and I think the chair knows how many hours there have been, is clause 1(a), Inflation Restraint Board.

Mr. Di Santo: Mr. Chairman, on a point of order: I would like to ask for your advice. I hope you can also enlighten the member. Is the member for Wilson Heights speaking on the bill or is he making a point of order because he is not addressing the Inflation Restraint Board?

Since he has been the one member who rose several times today, quite inappropriately, when the members of this caucus were speaking on the bill, he is the member who should respect the rules of the House, Mr. Chairman, in view of the fact you never found that any one of our members was in violation of the rules, the standing orders of the House.

Therefore, if the member is not speaking on a point of order, I think that we would like to rotate because we have very interesting things to say about the bill.

The Deputy Chairman: I will call upon the member for Wilson Heights to address his remarks to Bill 179, clause 1(a).

Mr. Rotenberg: I would point out to you, Mr. Chairman, and to the member from my neighbouring riding of Downsview, that every time I rose on a point of order, I gave the member opposite a few minutes to develop his thought before I raised the point of order that he was out of order. I would ask the member for Downsview to give me the same courtesy.

What I was saying, and I was just coming to clause 1(a) when I was interrupted—and he has of course the right to interrupt me on his point of order. What I was saying was that clause 1(a) says—and this is all we should be speaking on—"In this act 'Board' means the Inflation Restraint Board."

What we have been hearing for the last 17 or 72 hours or whatever, from members of the party opposite, were some reasons which were germane to that section and many reasons which were not. In effect, members of the New Democratic Party are saying they do not want an Inflation Restraint Board in this province. If and when we get to vote on clause 1(a) and if, as time after time and member after member has

indicated, they are going to vote against clause 1(a), and the explanations are all phoney, they are going to stand up on their hind legs and vote against Ontario having an Inflation Restraint Board. That is what they are doing.

Mr. Di Santo: Right on.

Mr. Rotenberg: That is right.

Mr. Chairman, as imperfect as this Inflation Restraint Board may be—

Mr Martel: Right on.

Mr. Rotenberg: —and I am not saying it is, whatever an Inflation Restraint Board can do to restrain inflation has got to be a plus for the economy of this province and of this country. After wasting all these hours of the time of this House, when members opposite stand up and vote not to have an Inflation Restraint Board, we know exactly where they stand and we know why they are standing there.

We are dealing with the bill clause by clause. Members should understand that, but obviously they do not. First, the bill sets up the board, and then it goes on to the next section and the next section. If there are matters in relation to the Inflation Restraint Board about which members are unhappy, then they should put amendments. I do not always agree with the members opposite in the Liberal Party, but at least they understand the parliamentary process and know that we go clause by clause and debate each clause as it comes up and not debate everything else.

If the members of the New Democratic Party sincerely want a proper Inflation Restraint Board, even in their terms, they should, first of all, be voting to have an Inflation Restraint Board and then getting themselves on record. Yes, they will probably lose most of their amendments, but if they really are sincere, they should be getting themselves on record amendment by amendment by amendment as to what they think an Inflation Restraint Board should be. When they stand up, as they will in a short or long period of time, and vote against the Inflation Restraint Board, the message goes clear across the province that those 22 members opposite simply do not want an Inflation Restraint Board of any size, shape, kind or description within this province. Let us put that seriously on the record.

Mr. Foulds: We surely do not want this particular Inflation Restraint Board. It is savaging the workers. It is a phoney. That is what this definition is all about.

The Deputy Chairman: Order. The honourable member will give the opportunity to the member for Wilson Heights to make his presentation.

Interjection.

The Deputy Chairman: I make every effort to keep order.

Mr. Rotenberg: As I was saying, when my friend the member for Port Arthur got a few things off his chest, which he is entitled to do in the spirit of this debate: This 1982 New Democratic Party, under its brand new, spanking new leader, is saying to the province it does not want an Inflation Restraint Board.

Mr. Foulds: This Inflation Restraint Board.

Mr. Rotenberg: Any Inflation Restraint Board. If the NDP wanted a different one it would vote for this section and put in amendments.

Mr. Foulds: This is not any one. It is the one the government has designed in this legislation under this definition.

Mr. Rotenberg: Mr. Chairman, why are the NDP members doing this? Let us understand why they are doing this. We have had the odd word floating across from the rump of 22 members over there about people over here doing the bidding—I think it was the member for Ottawa Centre (Mr. Cassidy) who said it—of certain corporate masters and so on. Those are the kind of phoney phrases they put out. What is this whole debate on the Inflation Restraint Board and this filibuster all about? Why are they doing this?

I would submit to you, Mr. Chairman, that they are doing the bidding of their masters, who are the union leaders in this province: the Ontario Federation of Labour and Ontario Public Service Employees Union. They really do not care whether there is an Inflation Restraint Board up, down, sideways or backwards. They care about protecting the union leaders, not the rank-and-file union members, so that they keep their positions, because they do not want their people to have to be restricted to five per cent. They do not care about the workers. They care about the status of the unions.

I challenge the members over there to go out among the rank-and-file trade union members of this province and ask them if they want an Inflation Restraint Board. I challenge them to ask the rank-and-file union members of this province if they think public servants should get more than a five-per-cent increase in the coming year. I challenge the member for Sudbury East (Mr. Martel) to go to the Inco miners who have

been laid off, or the member from Windsor to go the auto workers who have been laid off and ask them whether they would like to have jobs.

9:50 p.m.

Mr. R. F. Johnston: They have all invited us to go up.

Mr. Rotenberg: The union leaders have. I am not talking about the union leaders. Ask the workers whether they would like to have jobs at as much money as they got last year, let alone five per cent more than they had last year. Ask the people of this province.

Mr. Foulds: How would you like a job at \$11,000 which you are cutting back in next year's contract?

Mr. Rotenberg: Ask the people.

Mr. Foulds: How would you like to rip up the contract of the workers at a nursing home? That is what you are doing.

The Deputy Chairman: Order. The member for Wilson Heights has the floor.

Mr. Rotenberg: I would even suggest that if one quietly took a private, secret poll of the people who work in Queen's Park, the thousands of civil servants who do such a good job for this government, and asked them in these times of restraint and what is going on, how they feel about—

Mr. Cassidy: All the Tory secretaries, they have no choice.

Mr. Rotenberg: I said all the secretaries—even the honourable member's secretary. There have been three or four nights when—I am not quite sure how it was organized, but I am sure the word got out, "Fill up the galleries in the evenings to show your support to members of the union around here."

I have seen how full the galleries have been on the various nights with those people among the loyal employees of this government who come out to support the New Democratic Party filibuster against having an Inflation Restraint Board. By the busloads and carloads they have been coming in here to say: "New Democrats, you are doing a hell of good job in filibustering this bill. You are doing an awfully good job in preventing the government from setting up an Inflation Restraint Board in this province."

I challenge those 22 members. I challenge them to go out amongst the trade unionists just in this building, the Macdonald Block and so on, and see how many people really agree—

Mr. Cassidy: We have. Where were you? In front of the building?

The Deputy Chairman: The honourable member will speak to clause 1(a).

Mr. Rotenberg: How many people showed up?

Mr. Cassidy: Where were you? You were cowering in your office.

Interjections.

Mr. Rotenberg: I say to the honourable member, with respect, I do not think I have ever cowered in my life and certainly not before someone like the member for Ottawa Centre.

The Deputy Chairman: Order, please. I am having difficulty hearing the member for Wilson Heights with these developing conversations.

Mr. Rotenberg: Mr. Chairman, it is interesting. Obviously I am getting to them, especially the member for Ottawa Centre. What are we debating in clause 1(a)? One very simple proposition only. I remind the members opposite again, this is not a second reading debate and this is not a debate in principle. At this stage it is a debate only on whether we will have a board called the Inflation Restraint Board.

When we get to vote on this clause, as we will one of these days, let the public understand which members of this Legislature want an Inflation Restraint Board, whatever it may do, and which members of this House do not want an Inflation Restraint Board, whatever it may do. When we decide that, we will go on to clause-by-clause consideration and decide, either this way or other ways, what that Inflation Restraint Board may do.

It will be very interesting in the coming months when they go across the province, and we and the Liberals go across the province, because we will tell the people of this province, and I am sure the Liberals and the member from Windsor who spoke a few minutes ago will tell the people, who in this House wants an Inflation Restraint Board.

I am going to support this province having an Inflation Restraint Board, and I hope all the members will do so as well.

Interjections.

Mr. Boudria: Mr. Chairman, I find it interesting to hear a few members of the New Democratic Party cheering us on to participate in this debate.

Mr. Piché: I could have told you that about two months ago.

Mr. Boudria: I have listened with great interest to the contribution made by the member for Scarborough West (Mr. R. F. Johnston), and I

am now listening to the contribution of the member for Cochrane North (Mr. Piché), somewhat unwillingly.

I find it interesting to have listened to such an extensive debate on why the board should or should not be called the Inflation Restraint Board. We have listened to an extensive discourse by various members of the New Democratic Party as to why we should not call this the Inflation Restraint Board.

I have listened to all these presentations, and I fail to understand why the members object to the name of this board. It is quite obvious that the name of the board is irrelevant to some members of this House, and the attempt is obviously to slow down the process of discussing this bill. As a matter of fact, that was discussed publicly by members of the third party.

Mr. Martel: Did you figure that out all by yourself?

Mr. Boudria: I would not want to be accused of imputing motives. I had to refer to something my friends had admitted to.

Interjection.

Mr. Boudria: By these delaying tactics on clause 1(a), the honourable members to my left are preventing other very worthwhile amendments that our party intends to provide. The time is coming very shortly, and it is important for all of us to know it, when the government will be cutting off debate on this bill. We all know the bill will pass whether we like it or not. But the point is, if this legislation is to pass it should pass with the best possible amendments that honourable members of this House can provide. We should make the legislation as fair as possible to everybody in this province.

That party should stop playing the charades we have been hearing for the past few weeks; it should stop trying to delay the process here. It is not contributing anything towards making this bill better for the people of this province.

Mr. Cooke: How can you make a bill that is fundamentally unfair, fair?

Mr. Boudria: I know some people are saying the bill is fundamentally unfair. Everyone is entitled to that opinion.

Mr. Cooke: The member for Windsor-Sandwich (Mr. Wrye) said that.

Mr. Boudria: I did not say anyone said that. I said members are entitled to have that opinion if they want. But surely, as responsible legislators duly elected by the people of this province, even

though they may not like the legislation, they should be able to recognize that this is a majority government. They must recognize that an opposition party is to provide constructive opposition. I am sure the term has been used before by some people. Perhaps the member has not heard it lately, but I believe that is still the mandate for which I was elected as a member of the opposition.

I had a meeting last Saturday with certain union people in my constituency, and we discussed the amendments we want to provide to this bill. Of course I did not discuss with them that I wanted to amend clause 1(a). I do not feel that whether clause 1(a) calls the board the Inflation Restraint Board or the anti-inflation board will significantly alter the amount of take-home pay of the Ontario Public Service Employees Union employees residing in my constituency. They obviously will not be greatly—

Interruption.

The Deputy Chairman: Order. There will be no comment by people in the gallery. Such person making the next comment will be removed. I ask honourable members in the House to—

Interruption.

The Deputy Chairman: Will you please remove that person from the gallery?

Interruption.

The Deputy Chairman: I will ask that the galleries be cleared. The galleries will be cleared.

Interruption.

The Deputy Chairman: Clear the galleries. Yes, they clapped as well.

Mr. Mackenzie: It's Tory insensitivity.

Interjections.

The Deputy Chairman: I apologize to those people who were not participating, but there were intermittent expressions from both sides of the galleries from a mixture of people. It would not have been possible to identify those who were not participating in that expression.

I now recognize the member for Prescott-Russell.

10 p.m.

Mr. Martel: Yes, general.

Mr. Mackenzie: This is jackboot dictatorship.

Mr. Piché: Do you call that democracy?

The Deputy Chairman: Order.

Mr. Martel: Yes, general.

Mr. Philip: Some of these people have thrown steers bigger than you.

The Deputy Chairman: Order. Honourable members, we are in committee. To remind ourselves, we are now on Bill 179.

Mr. Boudria: Mr. Chairman, the members will recall that only moments ago we were discussing clause 1(a) of the bill. We were receiving various contributions, as we are now again from the member for Cochrane North, regarding this particular amendment and regarding the position that I certainly have, and I am sure our party supports, of voting against this amendment.

Mr. Wildman: I thought you were going to amend the bill.

Mr. Boudria: We want to amend the bill in a meaningful way for the people affected by the bill as opposed to providing ridiculous amendments that do not do anything to improve the lot of the people it affects. Now that we have cleared up that matter, let me outline, since some members of this Legislature are against having an Inflation Restraint Board, what this would do.

We know this whole process is merely one of stalling for time. While we are discussing an Inflation Restraint Board we are not discussing other amendments that obviously we would like to propose as a constructive opposition party, amendments such as limiting rent increases.

I wonder whether the New Democratic Party members are against controlling rent increases. I wonder whether they are also against our amendment to restrict increases in Hydro rates. I would be very curious to find out whether they are against that. But, of course, if we never discuss that amendment by always discussing—

Mr. Philip: On a point of order, Mr. Chairman: It is not the New Democratic Party that is interested in stopping the control of rent increases; it was the Liberals in 1977 who voted against all those amendments. It was not the NDP.

Mr. Roy: Mr. Chairman, why do you let that charming member get away with that?

Mr. Chairman: That is why: he is charming.

Mr. Boudria: As we were discussing, we as a constructive opposition party, as opposed to an obstructionist opposition party, have several amendments that we want to propose to this bill to make it as fair as possible to everyone concerned. I am sure that even members of the third party want bills to be as fair as possible. I hope that is an objective of that party, although we are wondering, in their attitude towards the deliberations on this piece of legislation, just

what their attitude is concerning making legislation as fair as possible.

I know that some members over there are saying it is impossible to make this bill fair. To make it better, they are proposing to change the Inflation Restraint Board to something else. I suppose they would like to explain to us how that makes the bill better. I would be very curious, and I am anxiously awaiting the next NDP speaker who will explain to us why their amendment is of such importance to this legislation. Their amendment is to delete the "Inflation Restraint Board."

Why is that particular amendment so important that we should not talk about including the Ontario health insurance plan fees, that we should not talk about holding down rent increases, that we should not talk about holding down Hydro rates? No, that is not what we should be talking about. The NDP believes that what we should be doing is talking about the title of the bill or, rather, whether the board should or should not mean an Inflation Restraint Board. That, to the NDP, is more important than some of the things I have been enumerating.

Mr. Riddell: It is interesting to note that when they do not have the galleries to play to, most of them have left. Have you noticed that?

Mr. Boudria: That is also another very interesting fact.

I am also wondering whether our amendment to restore due process to the bill by making it subject to the Statutory Powers Procedure Act is less important than their amendment, which has to do with deleting the definition of Inflation Restraint Board.

In terms of the order of importance of all those amendments, I am anxiously awaiting the contribution of the next member of that party to explain to us why their amendment is more meaningful than the ones we are proposing as a party. I am very curious to find that out; I am sure we will find it a very meaningful contribution at the time. But let us remember that you have spoken—

Mr. Cassidy: Mr. Chairman, I am quite ready to proceed right now and give an answer to the honourable member. He does not need to continue any further; he has made his point.

Mr. Riddell: Sit down.

Mr. Cassidy: I am accepting the challenge of the speaker, Mr. Chairman.

Mr. Boudria: Which one of us has the floor?

Mr. Riddell: Haven't you been around here

long enough to know you don't stand up when somebody else is speaking?

Mr. Boudria: I know how anxious the New Democratic Party members are, and I can understand that they want to speak right away on this bill, but I want to suggest that they have certainly had ample opportunity to give us all the reasons their amendment should supersede all other amendments.

After all, that is what we are discussing. We are not discussing whether the bill should or should not be amended, because they have proposed an amendment; and if they have proposed an amendment, they are recognizing that the bill can be improved by amending it. Otherwise, why would they have proposed this amendment?

Now that we have recognized this is what we are trying to do here, amending the bill to make it better, I wonder why that particular NDP amendment, which they are spending all their time on, should stop all other processes of amending this legislation. It is absolutely dumfounding to all of us here why we should listen to the member for Scarborough West take up hours of the time of this Legislature to explain why the board should be named something other than the Inflation Restraint Board.

Hon. Mr. Norton: Oh, they are just trying to frustrate the democratic process, that's all.

Mr. Boudria: I wondered about that. I do not want to go on at length about this but, after all, I do feel that after the very lengthy contribution that the New Democratic Party has made on amending clause 1(a) of this bill, we should take some time to expose to the Legislature why we feel that, as important as this particular amendment may be, it should be taken in the context of the relative importance of all amendments proposed by political parties; and I am sure the government members have amendments to propose as well.

We have 31 different amendments we want to propose to this bill. I do not know how many amendments the government wants to propose, but I have heard that if they do not succeed in moving a number of their amendments, they are quite prepared to pass the bill as is.

The interesting thing about this is that the New Democrats would rather see the bill as is than amended. That is obvious. Why else would they not entertain any other amendment? Seemingly they have one amendment that they feel is important.

Maybe I should not have said that. Maybe I

should not have said that the New Democrats were against all amendments. After all, they do feel that at least one amendment is necessary; they do feel that we should amend clause 1(a) by deleting " 'Board' means the Inflation Restraint Board." I recognize, of course, that if that amendment is passed, nothing else will be because of the time being so short—

Mr. Wildman: Time for the coach.

Mr. Boudria: I see I have attracted the attention of some of the—

Mr. Grande: Listen to what Bradley has to say to you.

Mr. Boudria: I have listened to what the member for St. Catharines has to say, and I do intend to participate fully in the discussion on this amendment.

Mr. Chairman: Go right ahead.

Mr. Boudria: Thank you very much. Mr. Chairman, you will recognize just how important it is to amend this bill in as constructive a way as possible and how important it is to demonstrate why the New Democratic Party has wasted the time of this Legislature in moving that one single amendment, which does not change anything.

10:10 p.m.

Hon. Mr. Norton: They are fundamentally anti-democratic. That is their problem.

Mr. Boudria: That could be said. I am not sure whether they are the New Democratic Party or the anti-democratic party. Perhaps they will entertain a change of name for their party in the future. We know they have changed the name of their political party in the past to reflect their changing mood and purpose. Perhaps now their purpose is anti-democratic and they will change the name of their party to the anti-democratic party. I am not sure.

Regardless of whether they do that, I know it is dangerous, but I would like to agree with the Minister of the Environment—

Hon Mr. Norton: I would not recommend it.

Mr. Boudria: —that a process by which a political party spends all its time attempting to change such a meaningless clause, instead of amending more substantial clauses of the bill, is certainly anti-democratic. On that point I agree with the Minister of the Environment.

Mr. Foulds: I thought we had a pretty substantial debate in principle on second reading.

Hon. Mr. Norton: The member for Prescott-Russell missed the point. What they are trying to

do is prevent people from debating any other part of the bill.

Mr. Boudria: It is interesting to hear the heckling and interjections. I know they are out of order, Mr. Chairman, because you have told us so on a number of occasions before. Nevertheless, it is interesting to listen to the members over here accusing others of being "in bed with the Tories." Those 22 members who pretend they are 30—not only do they pretend they are 30, but they have convinced the government to pretend they are 30—tell us we are in bed with the Tories. Is that not amazing, Mr. Chairman? This is really something else. We hear the New Democratic Party, who supported the government for something like two or three years prior to the last election, accusing us of being in bed with the Tories.

We should return to the amendment to clause 1(a) of Bill 179. The principle of the clause is rather difficult to describe in a very lengthy manner. Certainly the principle of the amendment is almost totally meaningless.

Mr. Chairman: The amendment was defeated. We are just talking about clause 1(a).

Mr. Boudria: That is correct, but the New Democrats had proposed that amendment. What we are discussing now is clause 1(a) and I recognize that, but I am going into the history of what has happened in the past and the obstructionist tactics on clause 1(a) that have resulted in what I am describing. As all honourable members of this Legislature know, the result is that all the important amendments we as a party would like to move, and I am sure the important amendments the government wants to move to this bill have been stalled.

Moments ago I was attempting to describe a meeting I had with Ontario Public Service Employees Union members in my constituency last Saturday. Then there were some interjections from the gallery and we had to cease the debate for a few moments, unfortunately. I say unfortunately, because anyone who attends the deliberations of this House must not attempt to participate. It is unfortunate when that happens and I hope it does not occur in the future. Again, I hope it was not anything I said that provoked it.

The members of OPSEU who came to my constituency office on Saturday recognized as much as we do that this bill will become law very shortly. We had a thorough discussion on that and they said: "We recognize it is a majority government. If the bill is going to pass, let us

make it as good as possible under the circumstances."

Mr. Wildman: Did they recognize that the member was going to vote for it?

Mr. Boudria: Of course, I told them that. I find this laughter rather peculiar, Mr. Chairman. The same people who are going to prevent constructive amendments to make this bill better are laughing at people who are trying to improve the legislation; they would rather see it in its present state notwithstanding the fact there probably are some injustices in the bill, which is very unfortunate.

Vous savez, M. le Président, lorsque nous avons discuté des principes de ce projet de loi samedi dernier au cours d'une réunion avec les employés de la fonction publique du gouvernement de l'Ontario, nous ne nous sommes pas attardés sur l'article 1. Comme vous le savez, cet article 1 ne parle que de la définition de la commission sur les restrictions budgétaires en Ontario.

Les employés de la fonction publique n'étaient pas tellement intéressés à savoir si le Parti libéral ou le Parti néo-démocrate ou le gouvernement passerait beaucoup de temps à discuter cet article du projet de loi. Ils voulaient seulement connaître la position des différents partis sur ce projet de loi et en particulier sur l'article 1, article dont nous discutons actuellement. Ils voulaient également savoir quels amendements constructifs on pouvait apporter à ce projet de loi afin de s'assurer que la loi serait la plus juste possible, car ce projet de loi, M. le Président, deviendra loi très bientôt puisque nous avons ici en Ontario un gouvernement majoritaire.

Ce gouvernement n'est pas mon choix car, comme vous le savez, je suis député de l'opposition. A ce titre, il incombe à chacun d'entre nous de proposer des amendements des plus constructifs. Je suis heureux de constater que mes collègues du Parti libéral partagent cet avis et je serais encore plus heureux de voir mes collègues du Parti néo-démocrate le partager aussi.

Je suis ravi que le ministre de l'Éducation soit ici avec nous ce soir pour participer aux discussions portant sur l'article 1(a) du projet de loi 179. Je sais que le ministre veut s'assurer que tous les amendements qui seront votés pour ce projet seront le plus équitable possible. Nous ferons au mieux pour tous les résidents de la Province de l'Ontario.

Le ministre des Services gouvernementaux est également parmi nous. Lui aussi vient de

l'Est de la province, tout près de la capitale de notre pays. Lui aussi veut s'assurer que le bill 179, lorsqu'il deviendra loi, sera aussi équitable que possible.

Mr. Chairman: I have bad news for the new member for Hamilton West. He is not in his seat. Now I recognize the honourable member.

M. Allen: M. le Président, point d'interrogation: C'est possible que vous nous donniez un service de traduction simultanée ce soir?

10:20 p.m.

Mr. Boudria: Mr. Chairman, just to brief you on the recent happenings, the member for Hamilton West (Mr. Allen), of course, was wondering when we would have simultaneous translation in this Legislature so that all of us can participate more fully in both official languages. I will not get into that debate because at the present time we are discussing clause 1(a) of Bill 179 and I will continue with what I was saying.

On discutait justement et on partageait le sentiment du Procureur général de la Province. Lui aussi représente une région avec un certain pourcentage de franco-ontariens. Lui-même est bilingue et comprendra certainement notre discussion approfondie de l'article 1(a) du projet de loi 179. M. le Procureur général, je le remarque, porte une attention tout à fait particulière pour s'assurer que l'article 1(a) du projet de loi 179 qui a été discuté longuement ce soir par le député néo-démocrate, sera juste. Cette discussion a également pris beaucoup de temps au cours des derniers jours, temps inutile à mon avis, puisque les amendements les plus importants n'ont pas été discutés.

J'ai mentionné tantôt, dans le seul but de m'assurer que tous les députés avaient compris, qu'il fallait proposer certains amendements pour veiller à ce que l'Hydro Ontario soit aussi régi par le bill 179. Assurément, tous les députés voudraient que l'Hydro Ontario soit sous le contrôle de ce bill. Nous désirons tous voir cet article 1(a) stipuler que les loyers en Ontario n'augmenteront pas plus de cinq pour cent. C'est normal puisque cela correspond à l'augmentation des salaires, augmentation avec laquelle nous sommes d'accord dans le but de réduire l'inflation. Si donc nous sommes d'accord sur l'augmentation de cinq pour cent des salaires, il est tout à fait normal d'apporter un amendement afin de s'assurer que les loyers et l'électricité, ne dépasseront pas ces cinq pour cent.

Je suis persuadé que l'Honorable député de Scarborough-Ouest partage cette opinion. Il l'a

d'ailleurs exprimée. Si donc il est d'accord pour que tous les Ontariens—

Interjections.

Mr. Chairman: The member for Ottawa Centre.

M. Cassidy: Le député de Prescott-Russell a lancé un défi. Il cherche maintenant une réponse du côté du Nouveau Parti Démocratique. Il nous est impossible de donner cette réponse, étant donné la verbosité du membre de Prescott-Russell.

M. Roy: M. le Président, je voudrais simplement dire que le député d'Ottawa-Centre n'a nullement mentionné un point d'ordre. Il est plutôt frustré. Comme tous les députés du NPD, Monsieur le Président, il est extrêmement frustré parce que ce soir la discussion ne va pas dans son sens. Les députés du NPD sont des marionnettes, et les montreurs de marionnettes ont quitté les galeries maintenant, alors les députés du NPD sont frustrés et ne savent plus quoi faire. Il ne s'agit donc pas d'un point d'ordre.

M. Cassidy: Le bill que nous avons devant nous a été proposé d'abord par le bill sur les "National Issues." C'est un groupe, M. le Président, qui constitue des grandes corporations canadiennes. Si ses membres sont considérés comme des marionnettes à la Chambre, que dire du Parti libéral et du Parti conservateur—

Mr. Boudria: Mr. Chairman, I am sure that in your wisdom you will recognize that none of these were points of order.

Mr. Chairman: Yes.

Mr. Boudria: As the member for Ottawa East has just so eloquently described it, it was more a point of frustration on the part of the NDP which had orchestrated another long series of speeches on clause 1(a) of Bill 179, and which was prepared to make its exposé tonight to ensure all the people they wanted to hear it would hear it at a scheduled time.

The member for Ottawa East was explaining to us that the member for Ottawa Centre had risen on a point of order drawing to your attention, Mr. Chairman, that I had challenged them over half an hour ago to explain to us why they wanted to discuss clause 1(a) rather than other sections of the bill which I felt were more meaningful.

Mr. Chairman, that was just to brief you on the relevance of that situation and I am sure that you will recognize—

M. le Président, je vais reprendre mon exposé sur l'article 1(a) du projet de loi 179, puisqu'afin d'être à l'ordre—et je ne voudrais pas être à

l'opposé—il est important que l'on discute des amendements à apporter au projet de loi, ainsi que le notait le député de Scarborough-Ouest.

Je disais donc, lorsqu'on m'a interrompu, pourquoi il était important de proposer tous les amendements nécessaires à ce projet de loi et de ne pas s'attarder trop longuement sur l'article 1(a). Nous y avons déjà passé plusieurs heures et ce temps ainsi passé est inutile car il n'apporte aucun élément positif. Notre rôle de députés de l'opposition est de fournir des propositions constructives.

Je suis heureux de voir que le député d'Algoma partage cet avis. Vous reconnaîtrez sans doute, Monsieur le Président, l'importance des autres amendements que les députés du Parti libéral voudraient apporter à ce projet de loi.

Prenez par exemple, M. le Président, l'amendement que nous voulons proposer sur les régimes d'assurance-maladie dans la Province de l'Ontario. Vous reconnaîtrez sans doute que les augmentations massives des primes de ces assurances-maladie au cours des dernières années sont totalement injustes. Il faudrait absolument que ces primes n'augmentent pas plus rapidement que les salaires. Je vois l'approbation qui semble se manifester sur la figure du député de Scarborough-Ouest. Il est évident, en constatant cette manifestation positive, que ce député convaincra tous ses collègues. Ainsi, lors de la prochaine discussion de ce projet de loi, il n'y aura plus de tactique d'obstruction ou de retard de leur part, mais au contraire une grande collaboration. On pourra alors passer tous les amendements nécessaires afin que la population de l'Ontario puisse se doter d'un bill 179 amélioré à l'intention de tous ceux qui sont touchés par celui-ci.

Certains députés pensent que le Trésorier de la Province ou d'autres, ne seront pas prêts à écouter les amendements que nous proposerons au projet de loi 179. Je suis pourtant persuadé que si nous passons tout notre temps à discuter de l'article 1(a) de ce projet, il est certain qu'on ne pourra faire aucun amendement. On se demande réellement si les députés néo-démocrates désirent adopter le projet de loi dans sa forme originale. S'ils ne veulent pas d'amendements, nous pouvons seulement en conclure que le projet de loi, dans sa forme actuelle—

Mr. Chairman: We have a couple of things to do yet. Does the member want to cut off?

M. Boudria: Oui, je vais terminer brièvement—que le projet de loi dans sa forme actuelle est mieux que celui qu'on a demandé. Je regrette

cette opposition, M. le Président, et j'espère continuer lors de la prochaine séance.

On motion by Hon. Mr. Wells, the committee of the whole House reported progress.

BUSINESS OF THE HOUSE

Hon. Mr. Wells: Mr. Speaker, just before the adjournment of the House, I thought I should indicate that there has been a change in the

procedures for the business of the House. Tomorrow the House will be meeting at two o'clock. When we come to orders of the day it is our intention to call government notice 10 standing in my name, and that will be debated. If it is not completed tomorrow, it will continue on Thursday afternoon and Thursday evening.

The House adjourned at 10:30 p.m.

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Ontario, *LEGISLATIVE ASSEMBLY*

No. 167

Legislature of Ontario Debates

Official Report (Hansard)



Second Session, Thirty-Second Parliament

Wednesday, December 8, 1982

Speaker: Honourable John M. Turner

Clerk: Roderick Lewis, QC

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LEGISLATURE OF ONTARIO

Wednesday, December 8, 1982

The House met at 2 p.m.

Prayers.

PROVINCIAL AUDITOR'S REPORT

Mr. Cunningham: Mr. Speaker, I rise on what I believe is a legitimate matter of privilege, and I ask your indulgence because it is somewhat lengthy. It pertains to the annual report of the Provincial Auditor, which was tabled very recently, and the subject matter is subsidiaries of crown agencies.

The Deputy Attorney General has advised the auditor, as of July 21, 1981, and I quote: "It is our view that there is some difficulty in characterizing the subsidiaries . . . you refer to as crown-controlled corporations. It is our view that the ownership of the shares of the subsidiaries would be held to be vested in the parent corporations and not in Her Majesty in right of Ontario. This interpretation is not free from doubt. I would recommend that the matter be clarified by an amendment to the legislation."

As a result, as reported in the auditor's report, "the following subsidiaries are not considered to be crown-controlled corporations and have not been included in exhibit 7 of this report." There are a few companies listed; they are Minaki Lodge Resort Ltd., Minaki Development Co. Ltd., Thunder Bay—

Mr. Speaker: I will have to call the honourable member to order and ask him to state his point of privilege, please.

Mr. Cunningham: I will, Mr. Speaker. The point is that no less than 10 or 12 companies are subsidiaries that do not come under control of the auditor and, in my view, are not subject to any public scrutiny whatsoever. The auditor has requested this matter be clarified so that we, as members of the Legislature, can discharge our responsibility in the examination of the stewardship of these companies.

Mr. Speaker: Interesting as that may be, it is not a legitimate point of privilege, and I have to rule it as such.

Mr. Nixon: Mr. Speaker, I just want to take your mind a bit further along those lines. The Provincial Auditor is not an employee of the government; he is an employee of the House

and you are the principal spokesman for the House. I do not believe it would be proper for us to raise it with a member of the government, since this is something that has been brought to our attention by our employee, not an employee of the government. What are we supposed to do if we should not put this before you, sir?

Mr. Speaker: I would think the proper place to raise it would be the standing committee on public accounts.

Mr. Cunningham: Mr. Speaker, I do not intend to belabour the point, but if I could just ask your indulgence, and mindful of what my House leader has said, the auditor said in his report, in concluding on that section:

"In our 1981 report we suggested that if it were the desire of the Legislature that such subsidiaries be treated as crown-controlled corporations, an amendment to the Audit Act be recommended by the standing public accounts committee."

This has not been done. Therefore, these subsidiary corporations do not fall under the scrutiny of the Legislature and hence we members of the Legislature, responsible to our constituents for the stewardship of public money, cannot examine these companies.

Mr. Speaker: Order, please. As the auditor has pointed out, it is the responsibility of the standing public accounts committee.

ORAL QUESTIONS

Mr. Peterson: Is the Premier (Mr. Davis) coming today?

Hon. Mr. Wells: Yes, he will be here.

Mr. Peterson: Shortly? Perhaps we can waste some time and hope the Premier comes.

GAINS PAYMENTS

Mr. Peterson: Mr. Speaker, I do have a serious question I want to ask of the Treasurer. It pertains to the whole matter of pension reform in this province.

The Treasurer is no doubt aware of the discussions we have been having over the last little while with his superior, the superminister in charge of social development policy. The Provincial Secretary for Social Development

(Mrs. Birch) mentioned to this House the other day that her ministry has made some recommendations with respect to pension reform. I am talking particularly about the guaranteed annual income system rate for single elderly people as well as the child-rearing drop-out provision and other aspects.

As I understand her answer, she suggested that she has made recommendations to the Treasurer and that it is now in his hands.

Why is the Treasurer, who is responsible for pension reform, not doing anything? Why is he taking so long to respond to the various committees and royal commissions? Why will he not move immediately on the Gains recommendation, which has almost universal support?

Hon. F. S. Miller: Mr. Speaker, I will brush aside the innuendo early in the question and focus particularly on the fact that the honourable member says we are doing nothing. The truth is that Ontario in the past 18 months has been the leader in getting provinces in Canada to work together to look at the whole pension issue. It is not simply a question of the guaranteed annual income system for the aged, the guaranteed annual income system for the disabled, the guaranteed income supplement or old age security but, rather, the sum total of them all.

It is very easy for everyone to say Ontario should not wait for a fundamental reform of OAS but should jump in and top it up and immediately increase Gains for singles so that the total is at least 60 per cent of that for a couple. Like my colleague, I agree with that; for the information of the Leader of the Opposition, I agree that is a fair level.

What we try to point out is that any one province doing it would automatically be left in that position by the federal government, because obviously they are not about to involve themselves in the basic reform that is needed, which is really OAS, when provinces are willing to step in on their own.

Bear in mind that we have a set—

Mr. Peterson: The Treasurer is wrong. Everybody does not agree.

Mr. Speaker: Never mind the interjection, please.

2:10 p.m.

Hon. F. S. Miller: The Leader of the Opposition is asking me for my opinion. I could be wrong. That is what he is there for. He is there because he is supposed to express a different point of view, and he often does. It does not

make him right or me wrong. It just makes us differ.

We have a number of problems, and I admit that the Leader of the Opposition is probably as well versed on this topic as anyone in this House—except me. I added that quickly.

Mr. T. P. Reid: Modesty becomes you.

Hon. F. S. Miller: It has always been one of my strong points.

Mr. T. P. Reid: You have a lot to be modest about.

Mr. Speaker: Order.

Hon. Mr. Davis: Now you are plagiarizing somebody else; be creative.

Mr. T. P. Reid: I have never had to quote the Premier.

Hon. Mr. Davis: Of course not, you do not have the capacity.

Mr. Speaker: Treasurer, will you please proceed?

Hon. F. S. Miller: I certainly abhor these interjections, Mr. Speaker, and with your guidance I will be delighted to follow along.

In any case, the provinces got together in June 1981. They saw each other pretty regularly until about a year ago in January. They have a course of action which they believe all nine provinces in the Canada pension plan can back in relation not just to CPP but also to general pension reform.

We were told some time last summer that the federal government would be proposing a paper on it, and most of us felt we would be unwise to move until that paper came out. Since back in October it was expected to be last December, and in January it was expected to be March, we thought we had only a short time to wait. I am told December 14 is the day that paper is coming out. I think this is an important date, because it will allow all 10 provinces, which will be meeting in Ottawa on December 16, to have a chance to decide whether they now are prepared to take their next steps.

All I ask the Leader of the Opposition is for him to allow us to take that orderly route. We are doing it. We have led the way with the Royal Commission on the Status of Pensions in Ontario, which has a number of major structural changes to recommend, and we are looking at them.

Mr. Peterson: The Treasurer always has an excuse. Now we are waiting for the federal paper. I remind him that on April 24, 1981, he was asked about these matters. He responded

that he was considering the royal commission's recommendations. On May 8, 1981, he was asked about the child-rearing drop-out provision, and the Premier said he was waiting for the select committee. Then on May 12—

Mr. Speaker: Question, please.

Mr. Peterson: Question coming, obviously.

Mr. Speaker: I have not heard it yet.

Mr. Peterson: On May 12 I asked him again whether he did not recall that same question. He was waiting for a select committee. On April 23, 1982, the Premier said, on being asked about some of these provisions, that the Treasurer was considering them. On December 3, asked about pension reform, the Provincial Secretary for Social Development said that many other groups needed assistance too, and on December 6 she said they were waiting for the Treasurer. There is nothing new about this.

We also recognize there are a number of small, sticky issues which the Treasurer could have moved on. Why, for example, is he being the last holdout on the child-rearing drop-out provision? Why does he not get rid of his veto—British Columbia got rid of theirs not very long ago—so at least we can improve some parts of the pension programs in this country even if we cannot move on them all simultaneously? Why does he not show some good faith on this issue in an area where the Treasurer is the only sticking point in this country?

Hon. F. S. Miller: First of all, the Leader of the Opposition's second question reminds me of many interviews all of us go through where the second question was written before the first response and the script reader has to stick right to it because obviously he cannot think independently and reflect on the answer that was already given. He did not reflect on the answer I gave him at all. All the answers to which he was referring were in it.

Mr. McClellan: Mr. Speaker, the Treasurer undoubtedly has better information than I do, but I was told at the beginning of this week that the green paper had been put off again until the spring, which would be at least the fifth time it had been put off.

I do not hold to that, but whether or not the green paper comes out next week, surely the Treasurer will agree that whenever it does come out the process of pension reform obviously has been put way on the back burner by the federal Liberal government. It will be a number of years before the kinds of things we had hoped were coming out of the federal government actually

will emerge, and in the meantime single senior citizens are living below the poverty line.

Will the Treasurer not simply accept the advice of his own Provincial Secretary for Social Development, who supports the recommendations of the seniors' advisory council, the royal commission and the select committee on pensions, and increase the Gains single rates to an adequate level of 60 per cent of the rate of a married couple?

Hon. F. S. Miller: Mr. Speaker, I thought I said I supported it in the answer to the first part of the question by the Leader of the Opposition.

Mr. Rae: Why don't you do it?

Hon. F. S. Miller: How? We are in a country. It is an interesting fact that this so-called veto power is not a veto power; two thirds of the provinces with two thirds of the population must agree to changes. We live in a country where we are working hard at having certain national programs with a degree of comparability. All the provinces agreed this was one area where there was a crying need for comparability. The provinces had a lot of discussions.

I can assure the honourable member that when the finance ministers meet in Ottawa next Thursday, whether it is on the agenda or not, we will have an opportunity to discuss this and I will be fighting hard for progress. However, let us hope that progress is not made impetuously, as the Leader of the Opposition would have us do, by making Ontario the sole contributor to those improved benefits.

Mr. Peterson: Anyone who has looked at the issue, including the Treasurer's own backbenchers, a number of whom signed that report, believes Ontario should move alone failing action by the federal government. Given that we have a crisis now, given the Premier has said only government has the capacity to act for those seniors now, and given that no amount of private pension reform and no pension reforms we enact now will have immediate impact except in those areas, surely that should impress upon the Treasurer that he has a responsibility.

He is alone. Even the superminister disagrees with him. Surely that should bring some urgency to this question. Why does he not show some leadership? How can he go on forever blaming the federal government? He is the holdout on the child-rearing drop-out provision. He cannot have it both ways.

Hon. F. S. Miller: My friend across the House—

Hon. Miss Stephenson: Has difficulty hearing.

Hon. F. S. Miller: Yes, he has some trouble hearing at times. We have provided the leadership on this issue as a province. I have been the chairman of the committee. That committee made great progress. There are only nine of us involved, because Quebec has its own programs. The other eight ministers felt strongly that we had to await more signs.

The Leader of the Opposition should not forget that Mme B  gin was running around this country making some pretty surprising statements. He should not forget, as he has reminded me quite often, the major problems with the Canada pension plan. I can go back and bring out his speeches. He did it at length each year in budgets. He told me what books to read. I read them. I then found some by competent authors and read them.

In this case we have been dealing with a program that is massively underfinanced. The Leader of the Opposition knows it was not a social program. It was a contributory pension program, was it not? Does he agree? Okay. The moment one brings in the drop-out provisions or the disability provisions, one is starting to change the actuarial base upon which it was all formulated.

The Leader of the Opposition and I both know that 3.6 per cent, which is the present contributory rate, pays for roughly 40 per cent of the benefits being paid out. He and I also know that in states like the United States where they have got into more mature plans, income is nowhere near outgo.

Does the Leader of the Opposition not think one of our first responsibilities is to ensure the money is there for people who have put their money into programs and to make sure we negotiate those with the federal government? That is the kind of leadership I am trying to produce. I am trying to guarantee benefits in the future rather than political opportunities today.

Mr. Peterson: In the same speech the Treasurer may want to stand up and tell about the billions he has owed the CPP, the avails of which he has lived off for years and years.

Mr. Speaker: Order. I must point out to the Leader of the Opposition that the first question has taken 13 minutes. New question.

2:20 p.m.

RESTRAINT ON DOCTORS' FEES

Mr. Peterson: Mr. Speaker, I have a question for the Premier as his government moves today to limit the debate on Bill 179. Is he or is he not

going to ask the medical profession to make a contribution to the restraint program in this province?

Hon. Mr. Davis: Mr. Speaker, I have really nothing to add to what I said some weeks ago. I acknowledge that one of the amendments the Liberal Party of Ontario would have liked to have made, and I have not read them, was to bring the medical profession into the legislation.

Mr. Peterson: The Premier also acknowledges that his Treasurer said on September 28, 1982: "I sincerely hope there is an understanding on the physicians' side of how important it is for them to be seen to be helping in this restraint program."

Is the Premier still just going to reply "no comment," or is he going to do something constructive in this area? He knows there is still a considerable amount of opposition to this legislation by people who feel it is inequitable.

Will the Premier not agree with me that he could make it more equitable, as I am sure his Treasurer would agree, by bringing in people such as the medical profession? When did the Premier meet with them last? Did he ask them for a contribution? What is he going to ask of them?

Hon. Mr. Davis: I said to the press a couple of days ago that I had no further thoughts to communicate at this precise moment.

Mr. Rae: Mr. Speaker, I wonder whether the Premier can tell us why the government has continued to refuse the option of very clearly indicating to the medical profession that, in return for a collective agreement, in response to collective action by the medical profession, the least the government could then expect of the medical profession would be that there would be no extra billing, no additional billing for work performed by individual doctors when the collective agreement was clearly there. Can that not be a condition precedent for the signing of the kind of collective agreement that was signed?

Hon. Mr. Davis: Mr. Speaker, perhaps the honourable member is not aware of it, but I understand the agreement with the medical profession was signed last March or April. I understand his position and his party's position to be that they would eliminate the agreement in that context. As I recall their position, and I find this intriguing, they say to the medical profession that the existing collective agreement should stand but that we should alter the collective agreement to make extra billing not possible in the province.

I find it intriguing how the leader of the New Democratic Party can argue, philosophically, not to touch the agreement, to leave that agreement with the doctors as is on one hand, and then argue that we should alter that agreement on the other hand. It is a little act of juggling that I do not totally understand.

Mr. Rae: There is nothing in the agreement about it.

Mr. McClellan: It is nowhere in the agreement. Interjections.

Mr. Speaker: Order.

Mr. Peterson: I understand the Premier's embarrassment over this issue and the most unsatisfactory way in which he and his government have handled it.

I quote him from Hansard of September 21, 1982, when he said: "All right, listen: The honourable member can be as critical of the profession as he wants, but they happen to be self-employed professionals. He does not like it, but that happens to be the reality.

"I have communicated with the head of the Ontario Medical Association. I have asked him and his colleagues to meet with the government to discuss this issue." Maybe he just wanted to discuss the weather or the Argos; I have no idea. "I will say no more than that at this moment. I have no intention, on a supplementary, of hypothesizing or anything of that kind. I just say what I have done."

That was on September 21, 1982, almost two and a half months ago. The Treasurer, as I quoted earlier, has the feeling, I gather, that the physicians should be seen to be helping the restraint program. What is the Premier's position? Are they going to be asked for a contribution, or are they not? If they are not, will the Premier have the guts to stand up in the House and say he is not going to ask them?

Hon. Mr. Davis: I will make no reference to one's intestinal fortitude, which I find a more acceptable parliamentary term, but that is only taking a leaf out of the book of the gentleman on the left of the Leader of the Opposition. I really would only repeat that at this precise moment I am not in a position to communicate anything further.

Mr. Speaker: New question. The member for York South.

Interjections.

Mr. Speaker: I think the Leader of the Opposition has had his two questions. I am now

recognizing the leader of the third party, the member for York South.

EMPLOYEE HEALTH AND SAFETY

Mr. Rae: Mr. Speaker, my question is to the Minister of Labour and concerns the right of a worker to refuse work where the worker considers that work to be unsafe. Does the minister considers there to be acceptable circumstances where a worker in a health care facility has a right to refuse? Can the minister comment on that general question?

Hon. Mr. Ramsay: Mr. Speaker, obviously the honourable member is going to come up with a particular instance in his supplementary. My interpretation of the act is that the worker has the opportunity to refuse to work, and there are no notable exceptions to that opportunity on the worker's behalf.

Mr. Rae: I do indeed have a specific example with respect to a worker in the Midwestern Regional Centre; it is of some real importance and has policy implications that go well beyond the specific example. The question involves a Mary Lou Ruttan who, at the time of her refusal, was seven months pregnant. As a worker in the Midwestern Regional Centre, she was in contact with a hepatitis carrier, which Mrs. Ruttan felt, and doctors agreed, placed her at some risk and her unborn child at great risk.

In the light of those facts, will the minister inquire why Mrs. Ruttan was told by the local inspector, by the regional office and ultimately by Dr. James of the occupational health branch that she had no such right to refuse, because she was a worker in a health care facility and because the law, according to Dr. James, while it may have acted to protect Mary Lou Ruttan, did not provide any protection for her unborn child? Because it has such important policy implications, will the minister make that inquiry?

Hon. Mr. Ramsay: I agree with the member that it does have policy implications. I certainly will investigate it further.

Mr. Rae: I simply tell the minister that Mary Lou Ruttan was informed, as I indicated to him, by the local inspector that she had no right to refuse. She was told by Dr. James that her unborn child had no protection under the act which, I am sure the minister will agree, is a question of fundamental importance to a great many workers in Ontario with respect to the children they are carrying.

The second reason she was given by the regional office was that there were no regula-

tions pursuant to section 23 with respect to health care and other public sector facilities that would allow her to claim the right to refuse.

Will the minister give an undertaking to this House that with respect to the question of the rights of unborn children to protection under the Occupational Health and Safety Act, and with respect to the regulations in public hospitals and other public institutions, he will clarify those matters so workers in those places will know exactly what their rights are under the Occupational Health and Safety Act?

Hon. Mr. Ramsay: I will report back to the House at the earliest opportunity.

DISMISSAL OF CIVIL SERVANT

Mr. Rae: Mr. Speaker, my second question is to the Minister of Natural Resources, who I notice is engaged in a conversation. I wonder if I could have his attention for a moment. It concerns the case of Donald MacAlpine and the decision that was made by the Crown Employees Grievance Settlement Board nearly two weeks ago with regard to his reinstatement.

I ask my question in the light of the statements that were made and the nature of the decision that was made by the chairman of the grievance settlement board, since the decision states: "The evidence is overwhelming and uncontradicted. The regional director, his assistant and the regional forester put strong pressure on Mr. MacAlpine to come up with reports or recommendations which would justify the unjustifiable." It goes on to say, "Apart from the testimony, regional communications to the district staff were pre-emptory in tone and their language left no doubt of what was demanded."

2:30 p.m.

In the light of the further statement in the report, "We are obliged to conclude that the regional staff's demands at the time were not consistent with the provisions of the Crown Timber Act and the management manual, that those demands were unreasonable and unfair to the district staff," first, can the minister tell us whether he has yet reached a decision with respect to the reinstatement of Mr. MacAlpine? Precisely what steps has he taken to see that this kind of behaviour on the part of the regional office, which is criticized so directly in the decision of the grievance settlement board, does not occur again?

Hon. Mr. Pope: Mr. Speaker, the decision of the grievance settlement board also indicated that Mr. MacAlpine was ordered to issue a

permit. As the honourable leader of the third party knows, the only ones who issue permits in this province are the Minister of Natural Resources and the cabinet. That is just one indication of some of the context of what he is quoting from.

This matter will be subject to judicial review. The grounds for judicial review will be set out in the notice and the documents filed. In the meantime, with respect to Mr. MacAlpine's reinstatement, I understand discussions were undertaken with him late this morning in order to accommodate his problems, as well as ours.

Mr. Rae: Can the minister indicate precisely what kinds of protections are being given to Mr. MacAlpine in the light of the statements that he himself made last week with regard to Mr. MacAlpine's conduct, which are in direct conflict with the findings of the grievance settlement board as to Mr. MacAlpine's loyalty as a public servant?

While the grievance settlement board agrees that Mr. MacAlpine was at fault to the extent that he deserves a one-week penalty, the board went out of its way to make clear that, in its view, Mr. MacAlpine was acting at all times with the utmost integrity and according to the lights of his own conscience, and that much of what he did was understandable in the light of the government's own guidelines with respect to open government.

Can the minister make it very clear to this House that Mr. MacAlpine will receive at least the same compensation from April 7 onwards as he would have without the government having taken this decision to do a judicial review? Will the minister make that commitment to the House?

Hon. Mr. Pope: I am not sure of all the elements the leader of the third party is asking me for. The settlement board dealt with the issue of salary from the time of suspension to the date of the decision. It also dealt with our efforts, referred to by the member for Lake Nipigon (Mr. Stokes) in the House, with respect to certain contractual arrangements that were entered into in the meantime.

I have been advised by counsel with respect to our obligations pending any judicial review of the decision. I am aware of those obligations and they include monetary ones. These are the discussions that are taking place with Mr. MacAlpine directly. I can only say that we are trying to take care of him in a monetary sense while this process is taking place without penalty and that is what we were working on with him this morning.

Mr. Stokes: Mr. Speaker, why would the minister decide to go the judicial review route when the arbitration decision said, "Members of the public had a right to know about the internal dispute within the ministry over cutting rights which affects their interest"? I am thinking specifically of the 30 to 40 independent operators who were going to be directly affected by it. They also said, "To suppress such information by invoking the oath in its literal form is not consistent with the concept of open government," that you espoused in sessional paper 215 on October 9, 1980, in a previous incarnation.

It also said, "It is somewhat naive to imagine that what is properly known to a civil servant must be denied to a legislator by reason of section 10 of the Public Service Act."

Is it not a fact that with regard to the forest resource inventory Mr. MacAlpine asked for before being called upon to make a recommendation about the issuance of a licence, his position has been vindicated by a subsequent forest resource inventory that says unequivocally that he and his supervisor were quite right in not recommending a licence because there is not sufficient wood to satisfy all of the needs, including Mr. Buchanan's?

Hon. Mr. Pope: Mr. Speaker, I am quite aware of the arguments that went on with respect to the volume of allowable cut in that area and the three different volumes that were indicated at various times by various people within the ministry as being available or not available. I understand all those issues.

The honourable member refers to my previous incarnation. I wish he would also refer to the work of the ministry and the Minister of Natural Resources in terms of the land use planning program and the forest management agreements where we have made substantial changes since April 1981 to open up the process for public consultation.

I am sure the member also acknowledges there is a difference between responding to requests for information from the public and members of the opposition and initiating a political confrontation.

TOXIC WASTE DISPOSAL

Mr. Elston: Mr. Speaker, I have a question for the Minister of the Environment. Now that the minister has had time to absorb the facts concerning the presence of dioxin in herring gull eggs on Fighting Island, will he now agree the contamination is from a localized source and will he undertake a complete scientific

investigation of the potential source of dioxin contamination?

Hon. Mr. Norton: Mr. Speaker, to the best of my knowledge, the facts we were discussing before have not changed in terms of the information that exists with regard to the suggestion of a localized source. I see no reason to do other than continue the testing work we already have under way and that I indicated was progressing in preparation for, among other things, the ultimate environmental assessment process which will be applied to that site.

Mr. Ruston: Mr. Speaker, the minister will be aware that Dr. Douglas Hallett of Environment Canada has said: "The federal government is concerned that it requires further investigation. We are definitely pursuing Fighting Island as a problem with the province of Ontario."

Will the minister tell the House what resources his ministry is planning to allocate to the testing of Fighting Island in conjunction with Environment Canada's assault on the problem, and what in-depth studies will he do and when they will take place?

Hon. Mr. Norton: Mr. Speaker, as I indicated earlier, the testing as it relates to Fighting Island is ongoing. I want to assure the honourable members that at no time have I indicated we were not interested and concerned about Fighting Island. We are determined to ensure it does not constitute either an environmental or a health hazard.

In terms of resources, off the top of my head I cannot quantify that, if the member is looking for a dollar figure or whatever it is he is talking about. Is it human resources, economic resources, technical resources or what? All I can say in terms of the program of testing that is under way is that all the resources of my ministry are available.

CANADIAN PAPERWORKERS DISPUTE

Mr. Mackenzie: Mr. Speaker, I have a question for the Minister of Labour. Is he aware of, and can he bring us up to date on, the dispute between the 130 members of Local 949, Canadian Paperworkers Union, at the CIP plant in Burlington, Ontario, who have been out of work since August 2 and have had no talks at all for the last four to five weeks? As well, there are the other 14 plants, largely in the container industry, that are also members of the Canadian Paperworks Union where there has been no movement since the beginning of the disputes, either July 7 or August 2.

Hon. Mr. Ramsay: Mr. Speaker, that has been a most troublesome dispute and one that has had the full attention of the conciliation and mediation services branch of our ministry. At one time we felt we were very close to a settlement, no longer than a week or 10 days ago, but the talks have broken down again.

2:40 p.m.

Mr. Mackenzie: Would the minister bring the House up to date on what specific action he is taking in this dispute, because I understand that in the case of Local 949, the plant in Burlington, there have been no talks for better than a month?

Would the minister bring us up to date on what initiatives he is taking specifically to try to resolve this long dispute, which has a number of ramifications? And did the takeover of the CIP plants by Canadian Pacific less than a year ago, the \$1.1-billion purchase, have anything to do with the difficulties we now find ourselves in with respect to collective bargaining?

Hon. Mr. Ramsay: With respect to the CIP plant, I can advise that the mediators are in there this afternoon—in fact, at this very time—so a meeting is going on and we are very hopeful that something may come out of this latest mediation attempt. With respect to the involvement by Canadian Pacific, I have no comment to make.

STRATEGIC LAND USE PLANS

Mr. J. A. Reed: Mr. Speaker, I have a question for the Minister of Natural Resources. The minister has now had time to see that virtually all interested parties in Ontario have expressed serious reservations about his strategic land use plans.

Is the minister now prepared to delay the implementation of these plans until two prerequisites are met: first, that all of the relevant legislation has been put before this House and passed and/or amended; and second, that the minister has convened a conference to find the common ground among all of the interested parties and to bring an end to the confrontation that is so plaguing this plan?

Hon. Mr. Pope: Mr. Speaker, the issues that have arisen at the public forums—and we have now held five, with two more to go—the issues that have arisen from the comments of 10,000 people at 130 open houses in communities across the province this summer, and the issues that arose when we had our open meetings with respect to the strategic land use planning, the

plans themselves, on a regional basis in 1979 and 1980 when another round of public meetings was held, do not relate to the process, they relate to the conflict in positions between interest groups.

The honourable member is quite right as far as that goes. It is conflicts between different positions of interest groups on specific decisions that have to be made on land use planning, not the process itself.

Indeed, there has been a lot of input from a lot of people and a lot of interests in the province. The member was at the one last Thursday in Toronto where we had approximately 600 people. We had 700 people in Thunder Bay a week ago last Monday. We had 800 people in London last Monday. So there has been a lot of interest in this. The whole purpose of the public forums we are holding is not to try to convince anyone of one particular point of view or another or of the integrity of our process, it is to allow different groups to address the public through the media in these regional centres and engage each other in the kind of debate the member saw last Thursday in Toronto.

Until there is a willingness on the part of the various interest groups to sit down and in a meaningful way come to some compromise solutions, there is no point in holding any kind of public conference at all. But I have sensed in the last few meetings we have been at, particularly the one in London on Monday night, a willingness to put forward specific compromise proposals, and we are considering those proposals right now.

How we proceed from here will not be decided or announced until we have completed the public forums, and we will complete them next Wednesday night in Kingston. In the meantime, and before any announcement is made, I had intended to consult with the member for Halton-Burlington and the member for Nickel Belt (Mr. Laughren) in any event.

Mr. J. A. Reed: It is clear from the minister's answer that he indicates to us that interested bodies on both sides of the issue are prepared to sit down and talk, and that is the same kind of information and feedback that I get. Surely if the strategic land use plan is to have success and relevance in the province, we have to move now towards a spirit of co-operation rather than confrontation and having the differences remain. Surely the minister understands this is now a process of negotiation and the resolution of differences, not the continued stating of those differences that are well established.

Hon. Mr. Pope: The precise reason for the public forums was to provide an opportunity to state the positions, to try to convince the public and each other of the validity of certain points of view. We have had public forums in Timmins, Thunder Bay, Sault Ste. Marie, London and Toronto, and we are going to have one in Ottawa tonight and next Wednesday night in Kingston.

We will then have covered the major centres of the province. We will have some idea of the regional issues and how the interest groups and individual citizens see the issues in different regions of the province. Once we have completed that work, we can then make some other decisions, at which time I will be pleased to consult with both the member for Nickel Belt and the member for Halton-Burlington with respect to a process.

Mr. Laughren: Mr. Speaker, would the minister consider one grand forum or perhaps two grand forums to discuss a couple of issues: one, the whole question of environmental assessment for the forest management agreements; two, the unhappiness of our native people concerning the whole question of the Royal Commission on the Northern Environment and the whole process of land use planning in which the minister is engaged?

Hon. Mr. Pope: Mr. Speaker, the issues the member has just raised have been raised in the public forums throughout Ontario. Different people have taken different points of view on them. Nothing further will be gained by arguing about them again. Everything has been argued out.

Had the member been in Thunder Bay, Sault Ste. Marie or Timmins, he would have understood that all these issues were argued about in those forums, with different interests and different points of view given. I am prepared to answer in the House any questions he has on the forest management agreement concept.

I have also indicated to the member that we have tried, over a period of years, to meaningfully involve the native people in our land use planning process. Does he know how often we visited various communities in the West Patricia area to discuss this with the band council? Does he know what band council resolutions were passed and signed by the chiefs recently? Does he know what they have done with respect to fishing rights and the maps they have filed with us?

Mr. Laughren: I know how unhappy they are.

Hon. Mr. Pope: If he does not know that, then what is he talking about?

FERRANTI-PACKARD

Mr. Martel: Mr. Speaker, I have a question of the Minister of Labour regarding Ferranti-Packard Transformers Ltd. Is the minister aware that in 1980, five workers of UE Local 525 were experiencing severe headaches, loss of co-ordination and runny eyes from working with a new material called GPO-3? Is he further aware that the workers have never received to this date the results of the tests? Is he further aware that a member of his staff advised management, in the person of Mr. Ross Firman, that the samples had been tested but the results were confidential?

With these materials still being handled and these workers still experiencing the same difficulties, can the minister indicate to us why this material has never been identified and why this issue has not been adequately resolved?

Hon. Mr. Ramsay: Mr. Speaker, I am aware of some of the circumstances of Ferranti-Packard, in that I have asked now for some time to have the inspection reports of anything that may be the least bit contentious sent directly to me. I am getting numerous reports each and every day, so I am aware of the circumstance the member is describing. I am not aware of any reluctance to share the results of the sampling and would be pleased to follow up in that regard.

Mr. Martel: The minister will be interested to know that last week I received a brown envelope with one sheet contained therein. It says, "The polymer portion of the sample was identified by infrared spectroscopy as a styrene modified polyester." It was sent to Dr. Pelmeur. Is the minister aware that styrene is a toxic substance, which is to be regulated and was gazetted on November 9, 1982, for regulation? Will the minister take steps to ensure that immediate investigation goes on and that the workers are advised?

Finally, will the minister kindly tell me why—when workers are working with a toxic substance and the minister has an analysis—there is a refusal to give them the results of those tests? The copy I received has "Confidential" marked right across it. There are workers working with a substance that is going to be regulated within the next number of months.

2:50 p.m.

Hon. Mr. Ramsay: I am well aware of the fact that styrene was gazetted on November 9, as far

as a toxic substance study is concerned, because I was involved in the preparation of the list that was gazetted at that time. As far as the document that the member for Sudbury East has received, I am not familiar with that. As I said earlier, I will be very happy to follow up.

COMPUTER SYSTEM FOR GO TRANSIT

Mr. Boudria: Mr. Speaker, I have a question for the Minister of Transportation and Communications in the absence of the Minister of Government Services.

Mr. Speaker: Order, the minister is here.

Mr. Boudria: I am sorry, I thought he had left his chair. Given the pride that the government takes in adherence to a buy-Canadian policy and given the fact that the minister makes this rather well-known, and the most recent commitment of the Minister of Industry and Trade (Mr. Walker) to cut by 10 per cent all government dollars spent to purchase government goods, why was a contract for the purchase of a computer system by GO Transit awarded to a subsidiary of an American company at a cost of \$270,000 when the Canadian content of that computer was only 59 per cent, and when for \$288,000—only slightly more—he could have bought a 100 per cent Canadian-content computer?

Hon. Mr. Wiseman: Mr. Speaker, I am not aware of the particular case the member mentions but I will check into it and report back. I would only like to say that in cases like this, as the honourable member knows, we are very careful to make sure that we do examine the Canadian content as closely as possible.

Our ministry is working quite closely with the Ministry of Industry and Trade. In fact, we have one of its employees working in this area to highlight things that at the present, particularly in the mechanical and electrical area, we cannot purchase in Canada. So our ministry really is doing our part to work along with our sister ministry. I would not want to leave the impression that we were not.

Mr. Boudria: I have an evaluation system form—established by, I guess, the Ministry of Government Services or Ministry of Transportation and Communications—regarding this purchase. Could the minister outline why the Canadian content is not calculated in the evaluation of whether or not one item will be bought?

In other words, the minister affords points for experience, reputation, capacity, service and all kinds of other things, but there are no points

awarded for Canadian content. Other than the fact that he gives a 10 per cent differential allowance, there is no other system of incorporating points for the amount of Canadian content in those products.

Hon. Mr. Wiseman: I have held a series of breakfast meetings for all the procurement people within our ministry to introduce them to the chap I mentioned, who has been loaned to us from the Ministry of Industry and Trade. There is a form that goes out to all the people outlining what we want to see and how they should fill it out showing Canadian content. I have instructed all our people to talk to the people submitting their bids if they are not able to figure it out.

Again, I am not familiar with the particular one the member is talking about. If he sends it over I will let him know all the particulars. We are well aware of it. We have had many meetings. We are working with John Whelan, the person from the Ministry of Industry and Trade, to make sure all these areas are covered.

SAFETY OF OFFICE EQUIPMENT

Mr. R. F. Johnston: Mr. Speaker, my question is to the Minister of Labour. In the memo he passed me yesterday concerning the video display terminal task force, he indicated that the council was sending material back to the task force and requiring them to submit it again for the January meeting, and that some time after that January meeting the minister would be given a recommendation, they hope.

Can the minister therefore give me some advice? What would he advise Pam Hannivan, who worked for Trot magazine, who is nine weeks pregnant and who was fired on November 26 because she refused to work at her VDT since she was afraid it would affect her pregnancy?

An official at the employment standards office advised her to put in a claim. But should she, or will she just run into evidence provided by the Ministry of Labour saying that she has no right to a claim, as was done in the cases of Terry Burroughs and Helen Barss?

Hon. Mr. Ramsay: Mr. Speaker, I strongly recommend that the person in question submit a claim to the employment standards branch. That is the reason the branch is there, to deal with these matters as they arise.

Mr. R. F. Johnston: Will the minister then please ask his ministry officials not to presume what his position is, because he has told us that he has not decided what his position is at this

time. Will he instruct Dr. Muc not to send off a letter to employment standards telling them there are no problems and that she has no right to refuse, thereby prejudicing the case? Will he not perhaps intervene at least to say that she should have the right at this point until we have received his decision about his policy, and that they should not presume his policy at the moment just through his officials?

Hon. Mr. Ramsay: I feel that is a reasonable request.

OMB CAR RENTAL FEES

Mr. Kolyn: Mr. Speaker, I have a question for the Attorney General (Mr. McMurtry), but I see that he is not in the House so I would like to redirect it to the Provincial Secretary for Justice.

The provincial secretary may be familiar with the Provincial Auditor's recent report on government expenditures. Section 2.6 of the report deals with excessive costs incurred on car rentals by certain members of the Ontario Municipal Board. The Provincial Auditor states: "The ministry bears unnecessary charges for additional days when rental cars are picked up on Fridays or weekends for business use in the week following. Our tests, covering the 1981 fiscal year, revealed 11 such instances involving two board members."

Will the provincial secretary identify the two board members involved and indicate to the House whether they are still sitting on the board?

Hon. Mr. Sterling: Mr. Speaker, having had some prior knowledge that the member for Lakeshore was going to ask me a question relating to this matter, I did call the chairman of the Ontario Municipal Board to ask for a clarification of it. He indicated to me that in these cases a lengthy OMB hearing was going on in an area of our province where driving back and forth to that area was the most practical method of transportation.

Since these hearings were going on week after week, it was understood by the members of the board who used these cars that it was just as economical for them to keep them over the weekend as it was to turn them back to the rental agencies, take a taxi to their homes and then at the start of the week go back, take a taxi to the rental agency and then drive out to the various places in the province.

This matter was recognized by the chairman of the board as a potential problem, and on investigation he found that the overall cost to the government would not have been signifi-

cantly different if the members had not kept the cars. However, after discovering this practice some time ago, he did make it clear to all members of the board that it should no longer persist and the practice has been terminated. Everyone is of the understanding that when a rented car is needed, it is to be turned back after the business week.

I will refer the question as to the identity of those members to the Attorney General and ask him to relay that information to the member for Lakeshore.

3 p.m.

Mr. Kolyn: Could the provincial secretary indicate the amount of money involved in the incidents mentioned? Will he take the necessary steps to ensure that the two board members reimburse the Ontario Municipal Board for the cost inappropriately incurred on the board's behalf?

Hon. Mr. Sterling: As indicated in my answer to the initial question, I think there was evidence that there was no difference between the expense incurred by the government whether either situation developed. However, I will pass along the request to the Attorney General.

WINDSOR CHRONIC CARE BEDS

Mr. Ruston: Mr. Speaker, my question is to the Minister of Health, who was in Windsor not too long ago. I am sure the minister is aware that there are 96 patients in four hospitals waiting for chronic care rooms, and 160 patients in nursing homes and rest homes throughout the city waiting for chronic care, which means we are waiting for 256 beds for chronic care. As well, there are 75 people waiting for nursing home beds.

When is the minister going to do something about the chronic care bed situation in the city of Windsor?

Hon. Mr. Grossman: Mr. Speaker, I think the honourable member knows that the ministry is awaiting advice from the Windsor area with regard to the new chronic care beds we intend to put in there, and how adequate numbers will be adjusted in the other hospitals so that we do not get into an even larger surplus than we already are in that area on our regular ratio counts. I know there is always a controversy with regard to whether the ratio is proper or not, as we hear in all parts of the province.

None the less, when the appropriate adjustments are made to the other chronic care beds to move patients into the new chronic care beds,

then we will be able to proceed. Those conversations are going on and, indeed, have been going on for some time.

WAGE AND PRICE RESTRAINT PROGRAM

Mr. Swart: Mr. Speaker, I want to put a question to the Minister of Consumer and Commercial Relations. He will recall that on Monday of this week his attention was drawn to the tremendous increase in the price of puffed wheat even though the farmer was getting less than he got when the price was only a third of what it is now. I hope he will not, as he did in that question, treat further questions on the increasing gap between the farm price and the price to the consumer as a joke.

Is the minister aware that the farm-gate price for oats is 24 per cent lower than it was last April; that corn is nine per cent lower than it was last spring and 29 per cent lower than it was a year ago; that wheat is 10 per cent lower; barley is 24 per cent lower; rye is 33 per cent lower; but that the cost of cornflakes is up some 12 per cent—

Mr. Speaker: I hope you have a question after all this.

Mr. Swart: —and all cereals are up an average of 10 per cent? As the minister responsible for consumer matters, how can he justify that kind of situation?

Hon. Mr. Elgie: Mr. Speaker, first, let me make it very clear that I take exception to the member's remark that I treated the complaint he made as something less than serious. I just resented personally that I would not have the puffed oats available for my family for the weekend for breakfast. That is the only objection I had.

Mr. Swart: Answer the question.

Hon. Mr. Elgie: What I was pointing out to him was that I know that it is nice if the camera is on the bag of puffed wheat. But he did not say and he never does say that from October to November the overall prices dropped again in food and that in cereals, in particular, they dropped 2.2 per cent over the course of a month. I am well aware that the income of farmers—

Mr. Swart: I am very much aware.

Interjections.

Hon. Mr. Elgie: Just hang on now. I am well aware that the income of farmers is dropping. I

believe those diminishing costs are reflected in the price drops we have seen recently.

Interjections.

Mr. Speaker: Order, please. It is very difficult to hear the questions. I ask all honourable members to maintain order.

Mr. Swart: I am very much aware that the minister would think it is a great success for the price of food to go down two per cent when the amount the farmer gets for it has gone down 20 per cent. He is quite willing to fight inflation on the backs of the farmers.

Mr. Speaker: Question, please.

Interjections.

Mr. Speaker: Order. Surely we could respect the rights of each other and allow the member to place his question.

Mr. Swart: Does the minister not think there is a widening gap between what the farmer gets and what the consumer pays, whether one compares them with the costs last spring or a year ago? The amount the farmer gets for cereal grains has been reduced 20 per cent, and the price of prepared cereals has gone up 10 per cent. Does he not think that is worthy of a full-fledged investigation in these times of restraint?

Hon. Mr. Elgie: If the member was serious in suggesting that this government is endeavouring to fight inflation on the backs of the farmers, then I have to tell him he has a problem. The Minister of Agriculture and Food (Mr. Timbrell) and this government are making exceptional efforts to support farmers in this province. Let there be no doubt about that.

Interjections.

Mr. Speaker: Order. Having allowed the member to ask his question, surely we can allow the minister to make his reply.

Hon. Mr. Elgie: Mr. Speaker, in spite of the fact that we are still on clause 1(a) of the wage restraint bill, I can assume now that the member will be supporting the part of it that exempts the marketing boards from the bill.

REPORTS

STANDING COMMITTEE ON GENERAL GOVERNMENT

Mr. Barlow from the standing committee on general government reported the following resolution:

That supply in the following amount to defray the expenses of the Office of the Provincial

Auditor be granted to Her Majesty for the fiscal year ending March 31, 1983:

Administration of the Audit Act and statutory audit programs, \$3,886,000.

STANDING COMMITTEE ON ADMINISTRATION OF JUSTICE

Mr. Treleaven from the standing committee on administration of justice presented the following report and moved its adoption:

Your committee begs to report the following bill with certain amendments:

Bill Pr6, An Act respecting the City of Windsor.

Motion agreed to.

MOTION

BUSINESS OF THE HOUSE

Hon. Mr. Wells moved that notwithstanding the provisions of standing order 64(a), government business be considered on the afternoon of Thursday, December 9, 1982.

Mr. Speaker: Is it the pleasure of the House the motion carry?

An hon. member: No.

Mr. Speaker: There seems to be some element of doubt.

Interjections.

Mr. Speaker: Order.

Mr. Renwick: Mr. Speaker, would you be kind enough to read the motion?

Mr. Speaker: I am sorry. I clearly heard somebody say "dispense."

Mr. Wells has moved that notwithstanding the provision of standing order 64(a), government business be considered the afternoon of Thursday, December 9, 1982.

All those in favour will please say "aye."

All those opposed will please say "nay."

In my opinion the ayes have it.

Motion agreed to.

3:10 p.m.

INTRODUCTION OF BILL

FINANCIAL ADMINISTRATION AMENDMENT ACT

Mr. Ruprecht moved, seconded by Mr. Bradley, first reading of Bill 200, An Act to amend the Financial Administration Act.

Motion agreed to.

ORDERS OF THE DAY

Mr. Rae: On a point of order: With your permission, Mr. Speaker, I would like to put an argument before you which I think you have to consider with respect to the motion that stands in the name of—

Mr. Speaker: You will have to wait until that is properly put before the House and that has not been done at this point.

CONSIDERATION OF BILL 179

Hon. Mr. Wells moved, seconded by Hon. Mr. Gregory, that notwithstanding any order of the House, the consideration of Bill 179, the Inflation Restraint Act, 1982, by the committee of the whole House, be concluded not later than 10:15 p.m. on the first sessional day following the passage of this motion unless such a date be a Friday, in which case the conclusion of the consideration will be not later than 10:15 p.m. on the following Monday, at which time the Chairman will put all questions necessary to dispose of every section of the bill not yet passed, and the schedule, and to report the bill, such questions to be decided without amendment or debate; should a division be called for, the bell to be limited to 10 minutes;

And, that, any debate on the question for the adoption of the report be held on the next sessional day and be concluded not later than 10:15 p.m. on that day, unless it be a Friday when again it will be on the following Monday, at which time Mr. Speaker will interrupt the proceedings and put the question for the adoption of the report without amendment or further debate and if a division is called for, the bell to be limited to 10 minutes;

And, further, that, the bill be called for third reading debate on the third sessional day following the passage of this motion and be completed not later than 10:15 p.m. on that day unless it be a Friday, when again it will be called on the following Monday, at which time Mr. Speaker will interrupt the proceedings and put the question without further debate and if a division is called for, the bell to be limited to 10 minutes;

And, finally, that, in the case of any division in any way relating to any proceeding on this bill prior to the bill being read the third time, the bell be limited to 10 minutes.

An hon. member: The short title is, "A muzzle."

Mr. Speaker: Order, please.

Hon. Mr. Wells: Mr. Speaker, before any points of order are heard, I would submit I

should be able to explain the reasons for this particular motion which—

Mr. Martel: No, we have a point of order about the motion.

Mr. Renwick: Where did you get that rule?

Mr. Speaker: Order, please. I am prepared to hear the point of order now that the motion has been properly put, and we will see what the member for York South has to say.

Mr. Rae: Thank you, Mr. Speaker.

Mr. Speaker: But I would ask him to be brief. Just before you start, if I may lay down some ground rules: I am prepared to listen to the point of order of the member for York South. I am also prepared to listen to a representative of each party if they wish to speak on the same point of order. I would ask the members to keep their remarks as brief as they can.

Mr. Rae: Mr. Speaker, I believe the point of order I am raising, whether one agrees with it or not, is put entirely in good faith and I think is of some importance to this Legislature. I suggest that you have to consider the very basic proposition that this motion in and of itself is out of order. I want to put to you as simply as I can, and I hope not to take too long a time to put the case before you, why I believe it is out of order.

I refer you to section 38 of the standing orders of the Legislative Assembly and, of course, to sections 1 and 36. Those are the three sections on which I will rely in my argument. I hope not to take too long a time to put the argument before you, because it is not put before you to in any way delay your ruling on this matter; it is put before you because I think it does raise fundamental questions that have to be of concern to every member of the Legislature.

The argument is quite simply this. There is no provision in any standing order of this House for this time allocation, this form of closure. You have to find a place in the standing orders where this kind of rule has been considered and has been provided for in the standing orders. That is the first argument.

With respect to that argument I would put to you that the only way in which a motion for closure can be put in the Legislative Assembly is according to section 36 of the rules.

I would put before you that when you consider the provisions both of the House of Commons in Ottawa and of the House of Commons in London, the only—

An hon. member: Commonly known as the big House.

Mr. Rae: It is because I think this is the big House that I am putting this argument.

It is only under the terms of the specific standing orders and regulations of the assembly in question that closure can be moved.

I would refer you to Beauchesne, where it is stated specifically with regard to closure in the House of Commons:

"Closure is a method of procedure which brings debate to a conclusion and enables the House to secure a decision upon the subject under discussion. Closure was introduced as a rule to the standing orders in 1913." That is Beauchesne, page 117, paragraph 334.

The point I am making is that before 1913 the only way in which closure, or I would say to the honourable member any motion with respect to time allocation, could be put in the House of Commons, the only motion permissible was a motion analogous to the one we have in section 36 that the previous question be now put; and members will know, of course, that when they had the filibuster, the long debate on the naval appropriations bill, and Arthur Meighen brought in the changes to the rules prior to the First World War with respect to that, it changed the practice of the House of Commons with regard to closure and with regard to time allocation.

3:20 p.m.

Since that time, the other major change that has been made in the House of Commons with respect to time allocation was made subsequent to the election of Mr. Trudeau as Prime Minister, and it was a major reform of the rules of the House of Commons, when there was provision for time allocation, specifically according to rule 75(a), 75(b) and 75(c). All of those deal with provisions which restrict and confine debate and which prevent the full participation of all members of the Legislature with respect to a matter that is before the Legislature or assembly.

According to the House of Commons, the only way in which time can be allocated is according strictly to rule 75(a), 75(b) and 75(c). Without rule 75(a), 75(b) and 75(c) it would not be possible for the House of Commons to have any rules with respect to the allocation of time.

Mr. Speaker, I notice that you are, as you are certainly correct to do so, consulting Erskine May with respect to the procedure of the British House of Commons. What I want to suggest to you is that you will find provisions both in the manual of procedure of the House of Commons and in standing orders of the House of Commons, with respect to the question of time allocation. I would suggest to you that time

allocation is something which is considered at some length in Erskine May and that there is an extensive procedure in the House of Commons with respect to the allocation of time.

The point I am making is the reason there is allocation of time discussed at some length in the chapter on closure in Erskine May, and the reason that it is a procedure of the British House of Commons and has been a procedure of the British House of Commons for some time, as you will notice from the precedents in Erskine May, is because the House of Commons at Westminster has considered this question and because there are specific procedures and regulations setting out the circumstances under which and through which a government may introduce a motion for the allocation of time.

Outside that framework, which is specifically provided for in the Manual of Procedure—number 221, allocation of time orders; and you will note, Mr. Speaker, this is the House of Commons Manual of Procedure in the Public Business, 12th edition, published in 1980, laid on the table by Mr. Speaker for the use of members—according to the Manual of Procedure there is a very specific procedure which must be followed by the government in the British House of Commons if the government wishes to introduce a motion with respect to the allocation of time.

I am suggesting to you, Mr. Speaker, that when you read in Erskine May that allocation of time is permitted, and the following hours of debate are set aside for the allocation of time, or what is commonly referred to by members of the opposition as a guillotine motion, that has to be considered in light of the specific consideration and the specific rules which members of the British House of Commons have made with regard to the running of their public business with regard to the allocation of time.

I want to suggest to you that this motion has, so far as we can determine, no precedent in the procedures of this House with regard to the conduct of debate in this House. There are some precedents, sir—if I can just conclude, I will be another three minutes, Mr. Speaker; as I suggested, I do not intend to take too long because I think the argument is very straightforward.

There is no precedent. There is no usage. There is no standing order. If you refer to rule 1 of the standing orders, you will know that the standing orders are binding, and it is up to you to interpret those standing orders, but there is no precedent, no usage, and no custom with regard

to the procedure of this House with respect to a guillotine motion of this kind.

The only precedent which you can rely on is the precedent either of the House of Commons in Ottawa, or of the House of Commons at Westminster. When you turn there, Mr. Speaker, you will find it very clearly stated, as I have specified, in Beauchesne that there is no common law right, if I may use that term, on the part of the government to invoke closure or to allocate time.

The only right a government has to impose closure or to allocate time is that right which has been specifically conceded to it by the Legislative Assembly itself in its own standing orders.

This assembly has never before considered a motion of this kind. This assembly has never granted to the executive the right to bring in this kind of motion. The only right this assembly has specifically given with respect to the right of closure is that right which is contained in section 36: moving the previous question.

That is the right which existed in the House of Commons in Ottawa until 1913 which was specifically changed by the government of the day and which has been subsequently changed a number of times to give the government the right specifically to allocate time.

Mr. Speaker, if I may summarize; I do not want to repeat myself too much but I do want you to understand the thrust of what I am saying because I think it is an important argument which reflects on the rights of every single member of this assembly, whether on the government side or on the opposition side.

My argument is as follows: There is no common law right of the government to move closure or to limit debate in this assembly. There is no right of the government to allocate time with respect to the proceedings of the Legislature, with respect to a specific measure which is before the Legislature.

Indeed, there is a common law right and a generally conceded right that debate must continue and can only be brought to an end if the House votes on that proceeding or if the House allows the question to be put according to section 36.

Mr. Rotenberg: Or if the House changes the standing orders.

Mr. Rae: Or if the House changes the standing orders.

Mr. Speaker: Never mind the interjections, please.

Mr. Rae: Mr. Speaker, I am saying this motion is out of order. This motion is offensive to the basic principle—

Hon. Mr. Ashe: So are the actions of that party.

Mr. Rae: No, I am sorry. If the government does not like the actions of this party, then it is up to the government with the help of whoever is prepared to give it help, to change the standing orders of this House and to change the procedures of this House. The government does not have the right to change the rules in the middle of the game. That is the basic argument we are putting. It is a serious argument and a fundamental argument.

I suggest to you, Mr. Speaker, that if you find this motion is in order, notwithstanding the fact there is no authority for the motion in any single standing order, there is nothing to prevent the government, the executive, from controlling entirely and completely, without any objection or intervention on the part of the opposition, the entire business of government. There is nothing preventing them from doing that at all.

Mr. Havrot: Time.

Mr. Rae: I hear a member shouting "Time," but with respect, sir, I think this is a pretty important argument for members of the opposition and for members of the government as well. The only protection we have is the standing orders of the assembly as they have been decided upon in a process of consultation that goes on in the standing committee on procedural affairs.

I suggest that is how these standing orders came about. I suggest that if it is the intention of the government to introduce this kind of motion, and the minister states it is clearly his intention, the only way that motion can be put is if the whole question of time allocation is referred to the procedural affairs committee and there are then specific provisions laid out in the standing orders of the Legislative Assembly with respect to the allocation of time.

That is the way the House of Commons in Ottawa did it; that is the way the House of Commons at Westminster has done it; and it would be unbecoming of us to do it any differently here at Queen's Park.

Mr. Conway: Mr. Speaker, on behalf of my colleagues I would like to offer a few comments with respect to the government notice of motion 10 introduced in the name of the government House leader.

It is of genuine concern to my colleagues and to me that we have before us so serious and so significant a new departure in terms of the way we have conducted ourselves in this Legislative Assembly for lo these many years.

3:30 p.m.

Let me reiterate what I have said on an earlier occasion. I, like many others in this assembly, have been taking note of the fact that we have arrived at this parliamentary impasse because one group of politicians, one group of members, has made it clear it will not easily agree to the passage of this legislation. That is the right of these members.

However, in the course of this difficult passage, we must be very careful that we do not allow to be put in our tradition, as we stand now to do, not one but two serious departures by way of closure. Those of us who sat in the standing committee on administration of justice last week saw the first departure in that connection, and now we see this.

Quite frankly, as my colleague and leader has indicated, it is an experience and rule among lawyers that difficult cases make for bad law. I am deeply concerned that, in the course of this difficult passage, we are going to write very bad new rules into our practice here in this assembly.

It seems to me we have a couple of options, or at least I naïvely believe we still have a couple of options. The member who has just resumed his seat after speaking on behalf of his party has invited us to consider this kind of time allocation within the standing committee on procedural affairs. That would very much be my preference. I do not want to see this new procedure written under these trying circumstances.

For that to happen, it is obvious there has to be a return by all parties of this assembly to the kind of consensus in the House leaders' panel that will allow the business of the assembly to proceed. As I have stated on earlier occasions, I personally have that as my very strong preference.

I appreciate absolutely the depth of feeling with which my friends in the New Democratic Party have fought this particular legislation over the past two months. I would be the last person to argue the case that it is not an important parliamentary responsibility to fight as passionately as one can against any initiative to which one takes strong exception. But we must all return to the fundamental parliamentary premise, which surely is that this place has to work. It has not been working. We are locked in a deep

and difficult deadlock, out of which there must be some escape.

Let me say, in the presence of the very much involved member for York South (Mr. Rae), I would like very much to see the resolution of this deadlock by means of the framework we have evolved here since my arrival seven years ago, namely, the House leaders' panel, because I do not want to see this kind of new order born in the middle of this kind of deadlock and difficulty.

I also want to say that if it is felt some kind of closure or some kind of move in that direction is required, then I draw the attention of the government House leader, difficult as it may be for me, to section 36 of our standing orders, which heretofore has been the way in which we have dealt with this kind of problem. I must admit I cannot recall a time when we have had the protracted difficulty we have had with Bill 179.

Mr. Mackenzie: We have not had such a bad bill either.

Mr. Conway: The member for Hamilton East, as he has done repeatedly in this debate, draws our attention again to his very deeply held views that this is a very bad bill.

I simply want to say that in our standing orders we have a rule we could look to if the government feels there is absolutely no hope of the kind of consensus I would like to see to take us out of this impasse. Out of this impasse we must get; I want to be very clear about that. I have confided that to a number of members on a number of occasions in past weeks.

Failing the normal House leaders' agreement, and I thought I heard from the leader of the third party some renewed interest in that possibility, I regret to have to point out that section 36 of our standing orders does provide the government with a means of moving the debate along.

Notwithstanding what some in the government may feel, I think we threaten to poison this parliamentary well if we proceed in this debate by writing into our rule book this kind of time allocation. It may be that we need some kind of structured time allocation. My views on that are fairly positive; I personally think we should have, but I absolutely caution members on all sides to draw away from so important and new a departure as that at this time. That is not the way and this is not the time to write into our rule book this kind of very new departure.

Mr. Speaker, I hope you will take that into account as you consider this matter.

Mr. Speaker: I must point out that with the speech by the government House leader, the debate will be terminated.

Hon. Mr. Wells: Mr. Speaker, at this point in the debate I want to point out why I feel this motion is in order and to cite some rebuttals to the arguments that have been put forward. There is certainly no argument on this side of the House with the statement made by my friend the member for Renfrew North (Mr. Conway) that this House must work. We over here feel it has not been working as it should.

First of all, it has been stated that this assembly has never considered or thought of this kind of time allocation motion. I point out that today we are talking not about a closure motion but about a time allocation or guillotine motion which May talks about.

Mr. Martel: Rubbish.

Mr. Rae: It's just another name. You're closing down three debates, not one. This is three closure motions in one.

Mr. Speaker: Order.

Hon. Mr. Wells: I hope my friends will allow me to put my case. I did not utter a sound during any of their presentations.

This is a time allocation or guillotine motion. I point out that the Ontario Commission on the Legislature, commonly known as the Camp commission, made a recommendation:

"We commend the provision in the standing orders for a mechanism to schedule the length of debate. It should only be invoked, of course, after discussion about the scheduling and the times among the House leaders, and after notice is given to the Legislature, preferably on the Notice Paper, that on such-and-such a measure and at such-and-such a stage, the government intends to close debate after so much time has been given to it. We underline that such a procedural arrangement fits in with other recommendations we have made regarding hours of sitting and extensions of sittings."

This recommendation of Camp was studied by the Morrow committee, which made this recommendation: "The committee has reviewed"—and I hope members will listen to the recommendation.

Mr. Martel: I was on the Morrow committee.

Hon. Mr. Wells: I know; I was going to remind the House that the member for Sudbury East was on that committee. Listen to the recommendation:

"The committee has reviewed the commis-

sion's recommendations on closure and is not prepared to support them. Since debate in the Ontario House is very seldom prolonged, the committee recommends that there be no change to the present procedure of standing order 37."

That was signed by the member for Sudbury East, the member for Ottawa Centre (Mr. Cassidy) and the member for Middlesex (Mr. Eaton), all present members of this House.

This matter was considered by a committee of this House which in its wisdom decided not to recommend any change in our standing orders, I guess basically because no one foresaw the kind of situation we are now in. The fact that it was considered and not put into the standing orders does not mean that in a particular situation, at a particular time, because of a certain circumstance, such a motion cannot be made. I submit that there is nothing in the standing orders that prohibits this kind of motion.

3:40 p.m.

If the member looks at Erskine May's Parliamentary Practice, and I am not as learned in May as some of my colleagues in this House, the chapter on methods of curtailing debate says on page 454:

"As stated earlier (p. 448), the allocation of limited amounts of time to the stages of bills, and occasionally other kinds of business,"—and I emphasize this—"forms no part of the general procedure of this House"—in other words, I cannot find anything in May similar to standing orders 75(a), (b) and (c) in the House of Commons.

Mr. Martel: It's in the act.

Mr. Rae: It's in their standing orders.

Hon. Mr. Wells: My friend can send it over to me. I am talking about the British House of Commons.

Mr. Speaker: Never mind the interjections, please.

Hon. Mr. Wells: It says here—"but is applied in each case to a particular bill or several bills jointly. . . ." Particularly what May says is that if a motion is made by a minister of the crown providing for the allocation of time, it can be debated for only three hours. In other words, there is a limit—

Mr. Martel: That's in the standing orders.

Hon. Mr. Wells: That is in the standing orders, but there is nothing in the standing orders that says the motion can be made. It is assumed that time allocation and guillotine motions will be made by responsible governments.

By order, as a substantive motion of this

House, completely in order—notice given, duly moved and duly seconded—we are now proposing a motion, which because there is nothing in the standing orders, and in fact the traditions in the Mother of Parliaments would suggest such is the responsibility of a government to make, can now be moved.

Let me point out some examples of recent precedents of use of substantive motions with notice to waive rules or authorize a practice not specifically allowed for in standing orders.

First, I refer to March 31, 1978, and April 4, 1978. There was no provision in our rules for a nonstatutory report or report other than annual reports to be referred to a committee. The government first proposed to send its paper on policy options for tenant protection by way of party agreement and thus routine motion. The New Democratic Party opposition at that time disagreed, telling us it would have to be done in the face of their disagreement; that is, by substantive motion, with debate and with division.

We did put such a motion at that time for that one paper only. I point out that we did it for that particular time only, not changing the rules of the House, and that was carried. At that time, by substantive motion and on division, we changed something that was not provided for in the rules. We did not create a new standing order.

On June 17, 1976, a substantive—

Mr. Renwick: It was by consensus of the House leaders.

Hon. Mr. Wells: It was not by consensus. The New Democratic Party voted against it.

Mr. Speaker: Never mind the interjections, please.

Hon. Mr. Wells: On June 17, 1976, a substantive motion was moved to set out a procedure and authority for the Board of Internal Economy, which as we know is the House's equivalent of the Management Board of Cabinet, to set the Ombudsman's estimates after his submission and to submit them to this House. There was no clear provision to do this in the Ombudsman Act, and it was silent on the mechanism that could be used. At that time the Liberal opposition opposed doing it by routine motion and opposed the substantive motion as being invalid, claiming the motion that was being put was invalid.

If the members opposite wish, I can quote Vernon Singer's speech but I will not do that at this time.

Mr. Conway: Please, in full.

Hon. Mr. Wells: The point is that the House, on majority, with full support from the New Democratic Party at that time, carried the motion. The minority made its case but it let the House decide.

The problem in the standing orders was that there was no provision for treating a government ministry's estimates differently from nonministry estimates such as those of the Office of the Ombudsman. The House motion, when passed, then became the authority. That motion was passed on division. In that case, the authority became on a permanent basis without a new or permanent standing order being required or adopted.

The point with both these examples is that they used a self-contained and free-standing motion to authorize an action not specifically provided for in the standing orders. They were carried out and done.

The point also is that they showed this House does have, and must have, a procedure short of permanent new standing orders whereby the will of the majority of the members can be authorized to prevail from time to time by way of procedural matters on what is a political issue.

Mr. Speaker, I will not go on at any greater length, but let me just sum up what I have pointed out by these examples. I believe, by referring to May, that there is some kind of common law right to bring in a form of allocation or guillotine motion when a majority that has been elected as a government to present its legislation finds it is completely hampered in the House.

Although it is not provided for in our standing orders, the precedents I have cited show that through the procedure of a duly constituted, substantive motion, properly moved and seconded and put in this House, the kind of orderly conclusion to a debate such as we are now in can be achieved.

I do not particularly like bringing in this kind of motion, Mr. Speaker, but I submit to you that it is in order, that it does not violate the rights of anyone in this House and that it gets us all out of a situation that is making the operation of this House look silly.

Interjections.

Mr. Speaker: Order, please. The member for York South on his point of order was of the opinion that the motion was out of order, and he put forward his arguments to support that.

As all honourable members recognize, this is indeed an important matter and not to be taken

lightly. I do not think there is any doubt about that. However, there is precedent, as everybody has mentioned, at Westminster and Ottawa; it is provided for in Erskine May.

I submit to the members that, to deal with the argument put forward by the member for York South that this is not closure and that there is provision for closure as such, I do not know why the government has not chosen to go that route, but it has chosen this route.

All I can say is that the motion has been made properly. There has been proper notice. It has been printed. It was properly moved and put before this House. I find, therefore, that there is nothing out of order and that the motion, which is a regular substantive motion, is in order.

3:50 p.m.

Mr. Rae: On a point of order, Mr. Speaker: If I may say so, we disagree on our side so fundamentally with your ruling that we have no choice but to challenge your ruling with respect to the motion being in order.

4:36 p.m.

The House divided on the Speaker's ruling, which was sustained on the following vote:

Ayes

Andrewes, Ashe, Baetz, Barlow, Bennett, Bernier, Birch, Brandt, Cousens, Cureatz, Davis, Dean, Drea, Eaton, Elgie, Eves, Fish, Gillies, Gordon, Gregory, Grossman, Havrot, Hender-son, Hennessy, Hodgson, Johnson, J. M., Jones, Kells, Kennedy, Kerr, Kolyn, Lane, Leluk, MacQuarrie, McCaffrey, McCague, McLean, McMurtry;

McNeil, Miller, F. S., Mitchell, Norton, Piché, Pollock, Pope, Ramsay, Robinson, Rotenberg, Runciman, Scrivener, Sheppard, Shymko, Snow, Stephenson, B. M., Sterling, Stevenson, K. R., Taylor, G. W., Taylor, J. A., Timbrell, Treleaven, Villeneuve, Walker, Watson, Welch, Wells, Williams, Wiseman, Yakabuski.

Nays

Allen, Bradley, Breaugh, Breithaupt, Bryden, Charlton, Conway, Cooke, Copps, Cunningham, Di Santo, Edighoffer, Elston, Epp, Foulds, Grande, Johnston, R. F., Kerrio, Laughren, Lupusella, Mackenzie, Martel, McClellan, McGuigan, McKessock;

Newman, Nixon, O'Neil, Philip, Rae, Reed, J. A., Reid, T. P., Renwick, Riddell, Ruprecht, Ruston, Samis, Stokes, Swart, Sweeney, Van Horne, Wildman, Worton, Wrye.

Ayes 68; nays 44.

Hon. Mr. Wells: Mr. Speaker, having decided that this motion is in order, which I firmly believed it was, I understand that there is—

Mr. Martel: You bullied it through.

4:40 p.m.

Hon. Mr. Wells: No, we did not bully it through. I would not bully anything through. I firmly believe that the motion is in order and notwithstanding the provision in our rules for any—

Mr. Stokes: Are you going to debate it all over again?

Hon. Mr. Wells: No, I am not. I am going to debate the motion now. I talked on the point of order.

Mr. Speaker: Order. Just for the benefit of all honourable members, there is an opportunity to debate this. I called on the minister to initiate the debate.

Hon. Mr. Wells: I had assumed that all three speakers, including myself, were speaking on a point of order and we are now speaking on the motion, as it is our right to do. I thank my friend the member for Lake Nipigon (Mr. Stokes). I was trying to find the quote that he had used at one time, that the House can do anything it wishes if it so decides. It was something like that I believe. In fact, at some point it becomes necessary to take certain action.

We have presented this resolution in order to bring some finality to the debate on Bill 179. It can be argued that there are a number of ways of doing this and the simple rule 36 procedure was suggested. It is more fair and much more democratic to have this House decide by a majority vote, the decision of which is shared in by all the members, as to how, in an orderly way, we can conclude a particular order of business.

In my remarks on the point of order, I showed that this House actually has considered the possibility of including in its standing orders some time allocation provision, and in its wisdom a committee of this House decided not to do it. While I was not a member of that committee, my friend from Sudbury East was and others here were, but it seems apparent that they did not feel this was a necessary thing for this House because they said that very rarely was debate ever of such a length that a time allocation motion would be needed.

Mr. Martel: You have a closure motion.

Hon. Mr. Wells: This is not a closure motion. This is time allocation, which is a sensible way of allocating time when it becomes obvious that

a political impasse has been reached. We acknowledge that there is a political impasse here. The third party is opposed to a piece of legislation. We are for it. We have had 138 hours of discussion on it, in various stages.

At some particular time, a finality must come. Included in that 138 hours have been a number of hours in standing committee and a number of hours in committee of the whole House, when another party in this Legislature has not even had the opportunity to place any of its amendments.

There has been an attempt to not get down to business at the committee of the whole stage. At some time the House must come to some means of deciding how this can be brought to a conclusion. As I have indicated, this is a particular way of doing it, and I certainly see no reason why this House should not unanimously vote in favour of this particular procedure.

This procedure follows, for this House, a procedure that is used in the House of Commons, a procedure which I quite readily admit is provided for in their standing orders, and a procedure which I am still checking. I indicated in my earlier remarks there was nothing in the British House of Commons rules concerning allocation of time. It may be that there is. I have not had a chance to study it, but it has been pointed out to me in the interval that there is a section there that may apply to the House. I believed it applied only to committees, but it may apply to the House.

The fact is that the procedure for allocation of time, when it has become apparent that the passage of a particular piece of legislation is not proceeding, and after full discussion it appears the appropriate thing to do, to establish some ground rules, the British House, the House of Commons and so forth have adopted this particular procedure.

Mr. Martel: By rule, not by vote.

Hon. Mr. Wells: My friend says by rule. If I can digress, I think probably we should look at some kind of a rule like that, but I am not suggesting to him we are changing the rules now. I have indicated precedents where we have done exactly the same thing and he has voted for them at times. I have indicated to him when he has voted on substantive motions that have done exactly the same thing.

It may be that we should change the rules in this area, but the fact remains, this substantive motion deals with only one bill. It does not deal with two or three bills. It does not change the standing orders. It deals with one particular bill.

It sets out a democratic way to lay out procedures for the passage of this bill. It does not attempt to change the orders. It is quite apparent that in other Houses this kind of procedure is used. I think, in considering the situation we now find ourselves in regarding Bill 179, it gives us an opportunity in this House to use a procedure, see how it will work and then next year when we review our rules—and I hope we will review the rules of this House because I think they have to be reviewed—it can be considered.

Mr. Renwick: No, no, that is the last thing we need.

Hon. Mr. Wells: My friend says we are not going to review the rules. I think most people would agree that the time has come to review the rules of this House again and see if there are some changes that can be made to make this place work better.

The procedure of allocation of time has been used, I note, 12 times this year in the House of Commons—

Mr. Martel: Because there is a rule for it.

Hon. Mr. Wells: It does not matter whether there is a rule or not. Why did the member not vote to put it in our rules when he had the opportunity?

Mr. Martel: Because you have a guillotine rule, you have closure. It is the same difference; a rose by any other name.

Hon. Mr. Wells: That is a closure rule, this is an allocation of time rule.

It has been used 12 times. I point out to members of this House that among the 12 times the allocation of time procedure was used in the House of Commons this year were all the various stages of the federal restraint bill. It was used, I believe, on second reading; notice was given at the committee stage, but it was not necessary to put it; it was used at the report and third reading stages. It has been used as recently as last week on a current bill concerning pensions that is before the House of Commons.

I would submit to members it takes away none of the rights of the majority, the minority or the members of this House. It removes none of their rights. It sets out a procedure whereby we can effectively deal with this piece of legislation. It provides that after the passage of this motion on this particular bill, there will be one more sessional day of committee of the whole hearings.

Just as an aside, I make a plea to my friends to work out a procedure somehow to allow the

various amendments to be considered and heard. I think it behooves the members of the third party to consider allowing the members of the official opposition to have at least some of the time to put some of their amendments. There is no question the NDP has really deprived the official opposition, so far for three weeks in committee downstairs and for several days up here in the chamber, of the opportunity to put its amendments. I think the responsibility for that must rest on their shoulders.

The motion provides for a one-sessional-day debate on the report procedure and a one-sessional-day debate on third reading, all three to be concluded with divisions, if necessary, with a 10-minute bell.

Some people will say that perhaps the use of the 10-minute bell device is not in keeping with the standing orders. We have many provisions in our standing orders which set times on bells. I point out to my friends that a 10-minute bell is just as much a hardship on government as it is on opposition or opposing parties. It means that all of us must be here within 10 minutes to vote.

4:50 p.m.

We have a five-minute bell on confidence motions. We have 10-minute bells on stacked motions. We have a half-hour bell in our standing orders on agreed-to votes. The procedures, the policy, the precedent of having bell times is well accepted within our standing orders. I believe it can be accepted in this motion.

If I can find the paper that I want here, I noticed a quote here which I thought—oh, I cannot find it. I cannot find the exact quote I was looking for, but it concerned some remarks made at one time by the leader of the New Democratic Party, who said that he was concerned if any pattern of conduct should be seen to unilaterally hijack or impose a straitjacket on the Legislature of this province.

I must tell members with great regret, although they will not agree with me, the kind of conduct that is now being put forward in the committees and the bills is hijacking and imposing constraints on the operation of this Legislature. I say that because I regret it. I believe that the members who sit on that side do not want to see this. I think they believe we should be able to operate here.

Considering the fact that the public perception of us, all of us, is low enough at the present time—they feel we are incapable of operating or of doing anything here—we have to show them that this body, as a Legislature, can operate. We can get things done. We can pass things. We can

have philosophical and political differences. We can argue those differences but those differences should not put this Legislature in a straitjacket. That is the position it is in at this time.

I could continue at length, but perhaps I should indicate one of the things that has not been said here is that we have not tried to get time limits. The member for Renfrew North (Mr. Conway) indicated that a panel of House leaders should work on the matter of time limits and procedures and so forth. We worked on trying to get time limits. We tried to get procedures. We tried to get some orderly passage of this bill, but that was not possible.

I do not say that we should have, necessarily. There will be times when we do not arrive at that kind of consensus in the panel of House leaders or in any other interparty panel in this House, but that is no reason for not bringing in this kind of motion. This kind of motion must then come. Indeed, it is the kind of motion that is provided for in the House of Commons rules even after there is no agreement.

We have already been through the arguments about whether this motion is in order or not in order. The House has found that it is in order. Therefore, I submit that it is a proper course of action now, having tried to achieve some orderly way after 138 hours of debate, to conclude this particular matter so we can move ahead with a number of other very important matters, not the least of them being the bill from my colleague the Minister of Consumer and Commercial Relations (Mr. Elgie) and perhaps some other very important bills that the Minister of Labour (Mr. Ramsay) and others will want to introduce that must come in through this House.

My friends will say, "Bring those bills in and set this to the side." That is straitjacketing this Legislature. That is not what we want to do. We bring this motion forward. As I began to say a few minutes ago and as I have said to a number of people since we brought it in, in their hearts all members of this House want to see a way out of the debate on this motion. We offer them that way now. I believe they would be well disposed to vote for this motion and conclude this debate in a fairly expeditious manner.

Mr. Peterson: Mr. Speaker, I want to thank the minister for speaking long enough for me to get back because I do want to participate in this debate, though not at great length. I would like to share my thoughts, some of which are personal and others of which are on behalf of my party. I hope that out of this experience we have

found ourselves involved in—speaking personally, it is the first time that I have seen a dilemma of this type in my six or seven years here—we will learn something for the future. I think there are good things and probably bad things we can learn.

One of the things that impresses me is the fragility of this institution known as parliament that is steeped in tradition. There are hundreds of years of parliamentary precedent. There is probably no institution that has had more written about it. We are the focal point of democracy itself. What we recognize is that even under the most well-crafted rules, one group can hold the rest of parliament to ransom.

I share with my colleague the member for Renfrew North a respect for the sincerity of the views held by my colleagues in the New Democratic Party. Their position is clear and they have made it amply well. There are other competing interests in this discussion today and as concerned legislators we must think about them some time, probably through the device of the procedural affairs committee.

We have to ask ourselves if any one group should have that right and, if so, for how long. I ask you this question, Mr. Speaker: Supposing the government had not acted today, what would have happened? The reality is that probably we could be here a year or two from now on clause 1(a), 2(b) or whatever. In a sense, I understand the government had limited options, but I also think that, as my colleague quoted me earlier as saying, difficult cases make bad law. We now have a precedent that will be quoted back to all of us in the future and we will remember the debate attendant thereto.

I have some sympathy for the options that were available to the government. I wish very much that it had not been necessary. As my colleague pointed out, there were other options. That is why we cannot support this motion for closure, guillotine, phase closure, time allocation or whatever one wants to call it. That being said, it is a motion to limit debate.

The New Democratic Party has to reflect very seriously on its responsibility, as every legislator does. There are lots of things we object to. How far they push that, how far they use every available rule—there are still a number of rules they can use if they want to hold up this debate and really bring parliament to its knees—is the essential judgement call we have to make. There is no way one can write rules to make this place function. The only way to really function well is through the panel of House leaders.

Ultimately, that is the bottom line. Ultimately, that is the only thing that is going to make it go.

5 p.m.

Mr. Laughtren: You would rather ring bells?

Mr. Peterson: My friend refers to our bell-ringing incident of some time ago, and I remember very well the statement of the leader of that party at the time, who said, "I am always concerned when any group of individuals unilaterally hijacks or imposes a pattern of conduct on a legislature."

I do not like it when the government does it, and I do not know when anybody does like it. We argued then, as they argue now, that everything we did was legitimate under the rules. We did not violate any rules; we bent the rules to serve a purpose that we felt was valid at the time, as they have done. I am not suggesting for a moment that they have done anything up until this time that is illegal or violates the rules. They have used the rules to make a political point.

One can speculate as to the motives; one can speculate as to their constituency, who is demanding what of them. That is irrelevant at this point. The point is that they have used the rules, I would suggest, and it is a judgement call that they have abused their situation, whereas I would argue in our own particular case we have not. I just think there is a profound difference between holding up parliament for two and a half months and holding it up for a matter of some four and a half hours.

The member may not agree with that distinction. He may well not, and a number of others obviously do not. They see the two things as synonymous, perhaps. I see a difference between two and a half months and four or five and a half hours, as was the case last spring on the budget. So everyone is entitled to draw his own conclusions in that regard.

The other thing we have done is to force an inward-looking parliament. We are now preoccupied with our own rules rather than with the great issues of the day, which, in my experience at least, have never been more severe. Never have we had more severe problems that we have to address our minds to, and we have occupied so much intellectual and political energy filibustering in committee, debating in committee, holding up on votes, walking out, procedural motions—on and on and on to make the point.

Ultimately I respect, and I think all members have to respect, their own positions, which are a reflection of the voters' wishes. The reality is, as much as I dislike it, that the Conservatives have

a majority; they have the right to govern. I have the right to pursue the most vigorous opposition that I can pursue, and the longer I am here the more I believe very strongly that the opposition is the only thing that stands between government and the sheer, naked use of power. It is the only check we have in the system, and I believe it is our responsibility to exercise it in as responsible a way as we can.

How does one make those assessments? Ultimately, the electorate will decide, because there is no judge in this House. One can make all the noises one wants, and ultimately they will decide and we will be up for review in 1984 or 1985. So we have to balance our right to oppose versus the government's right to govern. That is why in all these difficult judgements that we have to make we regret very much what the government has had to do and at the same time have some sympathy for what I consider a tremendous overreaction of the New Democratic Party in this case.

I want to address that for just a moment. My colleague the member for Renfrew North spoke about why we oppose the closure motion, the time allocation motion. We think it is an unfortunate precedent. We think it should have been settled by a panel of the House leaders, and, unlike the government House leader (Mr. Wells), I would not give up on the possibility, working together through the procedural affairs committee, of rediscussing some of these rules.

I hope they have some application in the future. It is one thing to discuss the functioning of those rules in the abstract; it is another thing to discuss them when we have a specific case before us, when we have all just gone through two and a half months, some of it a relatively fruitless exercise and some of it a complete waste of time. Others would argue, of course, that it was a waste of time towards a more legitimate cause.

Speaking for myself and for our party, I say that part of our responsibility in pursuing what I hope to be a vigorous opposition is that we want to amend the bill and make it better. We regret very much that we have been precluded by certain kinds of behaviour from having that kind of discussion.

The New Democratic Party now is on the horns of a dilemma. It knows the bill is going to go through. It always knew it was going to go through, but it had to put up the appearance to the real masters, the Sean O'Flynn and the Cliff Pilkeys, that at least it was trying. But now it knows it is going to go through. We knew that

from the beginning. That is a political reality; one did not have to be a doctor of philosophy to figure what was going to happen with the bill. Our view was, let us try to improve it.

We have always taken the view that one of the responses to our economic problems should have been a complete wage and price control program. We have been fighting hard to bring equity into this bill to include prices, rents, hydro bills, doctors—the list goes on and on. We regret now that we will have very little time, if any, to discuss those; and there is no guarantee whatsoever we will even have a chance to discuss them, because the New Democratic Party may still want to discuss clause 1(a).

We regret the use of closure and the fact we are being punished for the NDP behaviour. We believe that a rational, sensible approach to this whole matter is being precluded from being discussed because of government overreaction to a series of irresponsible behaviours. That is why we in the Liberal Party have a considerable amount of frustration at this time.

Even the people the NDP members think they are supporting, support a number of the amendments that we have in mind. Teachers and a number of other groups have come to us and, recognizing as we do that the bill ultimately will pass into law, they would like us to fight in certain areas to make the bill more equitable. We are happy to carry that responsibility.

I do not know the NDP position on that. On the one hand, it says it wants the bill completely withdrawn because it is so flawed, but on the other hand it says it may amend it.

The reality, as I understand it from our House leader, is that we have two and a half hours to discuss amendments. The amendments we have in mind are substantive as well as the government's amendments. They go to the heart of the matter, and we think they would have improved it very substantially. This bill, in its broad application, not only is a closure on the New Democratic Party and some of its antics, if I can use that word, but also is a closure on what we consider responsible additions to this piece of legislation.

As I said at the beginning of my remarks, in a way I regret what has happened today, but I think both good and bad can come out of it. The bad that is coming out of this is that we have established a precedent for the future. The good that is coming out of it, I hope, is that we recognize the fragility of this institution. We recognize that all parties must co-operate, and that is the only way this institution can run. It is

to be hoped that we can put this into the hands of the standing committee on procedural affairs so that this kind of situation will not arise again.

Mr. Martel: Is that like walking out of the House for five days and letting the bells ring?

The Acting Speaker (Mr. Cousens): Order.

Mr. Peterson: I am getting all this political macho from the people to my left. I understand that party's terrible frustration. Believe me, I understand the frustration of opposition just as well, and perhaps better, than they do.

I also recognize that we in our party are lucky that we have no other masters except the people. We do not have to run out of here and account to Sean O'Flynn. We do not have to get them up here hissing in the gallery to support us. That is why the New Democratic Party never will be trusted to govern, because it is not its own master. Its members are the political boys for the union bosses.

5:10 p.m.

One does not have to be very intelligent to understand that the government House leader is right; the New Democratic Party was just dying for a way out of this thing. I am sure they were even embarrassed by their own behaviour. They could not have asked the government more eloquently to remove them from the horns of the dilemma upon which they had impaled themselves. That is a reality. They know it and we all know it. They have been just as responsible as the government in creating some bad precedents.

Mr. R. F. Johnston: It's important to know your enemy, and you're misleading us.

Mr. Peterson: Well, if I had to choose which was more offensive, the New Democratic Party or the government party, it would be an awful choice, because they are equally bad in the circumstances. I would have serious trouble having that party and the people it fronts for running this province.

Mr. Speaker, I have exercised them enough; they are getting a little excited. I do not want to get my friend involved in another lawsuit that he is going to have to retract from, so at this point I am going to withdraw. But as we vote against this bill and as we reflect on the lessons of this great procedural impasse, I hope that over the next period of time we will come out of this a stronger and more effective Legislature.

Mr. Rae: Mr. Speaker, that savage attack from the Leader of the Opposition is obviously something we will have the greatest difficulty

recovering from. We have been gummed to death before.

Mr. Epp: Tell us what you said.

Mr. Ruston: Where's Cliff Pilkey?

The Acting Speaker: Order.

Mr. Rae: I can understand why the leader of the Liberal Party spent more of his time attacking the New Democratic Party than he did the government of the day. When a government of the day introduces a motion without precedent in the history of this Legislature, and the leader of the official opposition spends two minutes saying he does not think it is a very good idea and spends the rest of his time attacking the third party in this Legislature, that is the day the official opposition loses its right to be called the official opposition.

The leader of the Liberal Party attacked the trade union movement. He attacked the leadership of the trade union movement, which is elected. He attacked the members of the trade union movement who have spent time in this assembly watching this debate. He has nothing better to do than to attack the very people who are being affected by this legislation.

There is a good reason for that. Once he got his orders from Allan MacEachen in June, the leader of the Liberal Party spent the entire summer telling the Premier (Mr. Davis) to do for Ontario what Pierre Trudeau has been doing for Canada. What an apologetic performance from the Liberal Party; what an apologetic performance by the leader of the official opposition.

When faced with legislation which affects the most fundamental rights of working people in this province, the only response we had from the Liberal Party was that the legislation did not go far enough. That is the sum total of their anger. That is real opposition for you, Mr. Speaker.

It is not good enough for them that the rights of more than 500,000 working people have been taken away. They want to make sure it applies right across the board so that workers in Windsor, St. Catharines, London and right across the province will be treated with the same disrespect and contempt that this government is showing for its own workers in the public sector.

It is an absolutely appalling statement when the leader of—

Mr. Riddell: Cluck, cluck.

The Acting Speaker: Order.

Mr. Rae: That sounds like a Liberal talking. That is chicken talk, and it is worthy of a chicken performance by the official opposition with respect to this bill. It is a chicken perfor-

mance. This is nothing but a Tory rump. This is nothing but the junior league team.

They were passing compliments back and forth and carrying the ball for each other. The government House leader could not say enough to defend the rights of the official opposition and "Wouldn't it be a great idea if we could all bend over backwards?" since the government is giving only two and a half hours for a discussion of this in committee of the whole. "Wouldn't it be nice if the New Democratic Party decided to sit back and let the official opposition put their amendments?"

Let me say to the government House leader, he has introduced a measure, this motion that is before us today, which we believe is without precedent; it is a closure motion that affects the ability of all members of the House, regardless of which side they are on, to put their case with respect to this bill. He has restricted the rights of all the members of the Legislature. He has restricted the rights of members of both the official opposition and our party, and I can tell him that we have absolutely no intention of sitting back—

Mr. Elston: And letting anybody do anything.

Mr. Rae: No. We have no intention of sitting back and letting this bill go through this Legislature unchallenged at its very foundation.

Who has been stonewalling this legislation?

An hon. member: You have.

Mr. Rae: The government.

Mr. Wrye: You have, first in committee and then here in the House.

Mr. Kerrio: Where's Stephen Lewis when you need him? You're gasping like a fish out of water. You're flapping around there.

The Acting Speaker: Order.

Mr. Rae: I can understand the members of the Liberal Party. I can understand their sensitivity. We still do not know what the position of the Liberal Party is with respect to this bill. If I listen to the member for St. Catharines (Mr. Bradley) I get a completely different feeling of what the response is going to be than if I listen to the leader of the official opposition. We have no idea where the Liberal Party stands with respect to this bill.

We made two fundamental requests at the committee stage of this bill. Since this legislation affects the very foundation and root of collective bargaining and collective rights and freedoms, we asked the government whether it would be possible for the Minister of Labour to

be present before the committee and to be cross-examined to give us an indication of what impact he sees this legislation having on the structure and foundation of collective bargaining.

I do not think that was an unreasonable request. If I remember correctly, it was a request that even had support for a time, it would appear, or at least in a tentative or momentary way, along the lines of: "Well, it might be a good idea. We do not know exactly which direction we should take on this bill. Perhaps there will be help even from the Liberal Party itself."

This bill has nothing to do with the control of inflation. It has everything to do with labour relations and collective bargaining, and that is the reason we asked that the Minister of Labour be there. The government said no.

The second fundamental request we made was with respect to a response from the Attorney General (Mr. McMurtry) concerning the impact of this legislation on due process and on freedom of association in this province.

When I asked that question of the Attorney General in this House, he said he was not sure whether there was a written opinion. He thought there was, but he had not seen it himself. However, he had some kind of discussion with a number of individuals at some point—he could not remember exactly when; perhaps it was before or after a hockey game, but he did not tell us—indicating that he thought there was no problem about freedom of association.

We happen to think in our party that this bill does have an impact on freedom of association, that it does affect some very fundamental constitutional rights that have been recognized not only by this Legislature but also by the Parliament of Canada and by the Parliament of Britain. We believe that the question we have raised is such that as an opposition party we are entitled to a response to that question. We have had no response.

5:20 p.m.

The member for Riverdale (Mr. Renwick) gave a speech on second reading; there was no response. I gave a speech outside the Legislature—admittedly that was the only place I could give it at that time—and there was no response. We asked questions in the committee; there was no response. We asked questions in question period; there was no response. We asked questions when the government invoked closure and brought it back to the committee of the whole House; there was still no response.

This is not a government which is listening or

responding to some very fundamental and basic requests from our party with respect to this legislation. This is a government which introduces a motion that has absolutely no precedent in this Legislature; it cuts off committee of the whole discussion, it cuts off report-stage discussion and it cuts off third reading discussion. This is a government which says it is not introducing closure. It is correct; it is introducing closure not just once but three times. So it is not a closure motion; it is a triple closure motion, that is what it is.

This government has some nerve giving advice to our party with respect to how we might proceed when it comes to considering the matter in committee of the whole, at report stage or at third reading. Let the government at least take this responsibility. The government has introduced legislation that is offensive, and not only to the labour movement. The leader of Liberal Party is so out of touch, he has so little understanding of the nature of the labour movement or the nature of the people who built those democratic institutions—

Mr. Bradley: Don't be so condescending.

The Acting Speaker: Order.

Mr. Rae: I can understand why the member for St. Catharines is embarrassed. He is embarrassed and that is why he is heckling. I know the source of his embarrassment, and I understand his embarrassment. He is embarrassed because he has a leader who does not understand anything about the trade union movement. The member has been trying to educate his leader about it, but he just will not listen to what he has to say. I can understand that embarrassment.

Mr. R. F. Johnston: He is listening to the member for Huron-Middlesex (Mr. Riddell) instead.

Mr. Rae: That is right. He is listening to those people who do not understand that the labour movement is a democratic movement, that its leaders are elected and that it deserves respect—that is all—as being able to speak for—

Mr. Peterson: They are elected and they appoint you.

Mr. Bradley: That's called a turn of phrase, Bob.

Mr. Peterson: You can't come up with an answer. Think of another one.

The Acting Speaker: Order. The interruptions should stop, and the honourable member who has the floor is speaking to government notice of motion 10.

Mr. Rae: Mr. Speaker, that is an interesting accusation by the leader of the Liberal Party. It is a base and inaccurate accusation, and he knows it. He knows full well that there were more delegates freely elected at our convention than there were at his.

The Acting Speaker: The honourable member is speaking to the government motion.

Interjections.

The Acting Speaker: Order. I ask honourable members to respect the fact that the member for York South has the floor. The interruptions will stop now.

Mr. Kerrio: You didn't do that for our member.

The Acting Speaker: Order. I tried then too.

Mr. Rae: It has been mentioned many times that I was in another assembly, which is true. When I was there I sat, not in the front row, but in the second row. To my right was the Conservative Party. I must say the behaviour and the kind of attacks on the trade union movement, on our party and on the nature of social democracy and of democratic institutions have a very familiar ring.

Mr. Peterson: If you can't stand it, you shouldn't be here.

Mr. Rae: Indeed, when the leader of the Liberal Party went to school at the knee of Joe Clark and decided the very best tactic he could dream up was one that was derivative of Joe Clark, I came to realize just how desperate and out of touch the Liberal Party is in Ontario, just how bankrupt the Liberal Party is in Ontario and just how little it has to do with the fundamental issues that are before us.

Mr. Riddell: His attack on the Liberals would indicate they are worried.

Mr. Martel: No, we will attack the government eventually.

The Acting Speaker: Order, please.

Mr. Nixon: Is it true the NDP is being paid for 30 members and only elected 22?

The Acting Speaker: Order. Everyone is taking a shot. It is now the opportunity of the member for York South.

Mr. Rae: I used to watch the member for Brant-Oxford-Norfolk (Mr. Nixon) here many years ago, and he has not changed in his attitudes or questions about the labour movement either. That is, of course, the very reason the Liberal Party is completely ambivalent and has nowhere to stand when it comes not only to

Bill 179 but also to the motion that is being put before the House by the government at this stage.

The leader of the Liberal Party said these things would be considered ultimately by the voters, and that is correct. These things ultimately will be considered by the voters. But until they are considered by the voters, I think it is important—

Mr. Kerrio: Is there a gas pump nearby?

Mr. Rae: Unlike the member for Niagara Falls (Mr. Kerrio), I have more than one gear. I do not backfire quite as often as he does either.

I want to turn to the motion that is before us today and indicate to the House why we believe in our party that no opposition party worth its salt could conceivably support such a motion: the arbitrary termination of debate and the extremely restricted closure that has been imposed on the House with respect to this legislation.

Mr. Speaker, I put earlier to you arguments which you rejected but which naturally I think were correct. Nevertheless, I recognize your decision, sir, as the one that will carry the day. But there are no precedents in this House with respect to the allocation of time.

It is not, I believe, open to the government to move a motion of closure unless it has the specific authority to do so from the standing orders of the Legislative Assembly. It does not have that authority. There is no mention anywhere in the standing orders about the allocation of time, and the government does not have the authority to move that kind of motion.

Closure motions have been used in one sense, that the previous question be put. They were used in the House of Commons prior to 1913 and have been used in this House itself on occasion to bring a matter to a close. I am referring to the closure motions that are called for and contained in section 36.

5:30 p.m.

The government House leader said he thought we were all reasonable people, that when everybody is reasonable it should be possible for all allocations of time to be considered on a friendly basis and to be subject to the panel of the House leaders, that it should be entirely possible for all people to come to a perfectly friendly, reasonable and rational conclusion that these things can be done in time, and that the government should be allowed to do whatever it wants to do.

The government House leader knows very well that when it comes to some questions that

are not contentious or that may be contentious, there is often an agreement to refer to committee. There have been agreements that matters will be considered at some length. There is agreement that matters will be considered in a variety of ways.

I submit that there is a real difference in being reasonable on matters on which some degree of consensus can be reached. Indeed, there may be a difference between the arrangements that have been arrived at in this parliament and the arrangements that were arrived at in the minority parliaments of 1975 and 1977.

I want to suggest that when it comes to certain fundamental issues about which an opposition party feels particularly strongly, there will often come times when there will be real differences of opinion with respect to the ability of the government to force its hand and to have its unilateral way with respect to that legislation.

For reasons we have described at some length, for reasons we have put forward in all good faith, we regard this legislation as a fundamental attack not only on collective bargaining but also on the rule of law, on the structure of law, and on the pattern of give and take which exists in the public sector. I am not going to repeat our views with respect to Bill 179. In a sense, this motion is a separate issue and discussion from that.

The government House leader knows perfectly well how strongly we in this party feel about that. I do not think we have ever given any indication at any time or in any way, shape or form other than to say to the leader of the government that we are completely opposed in principle to this legislation.

We are opposed to the way in which this legislation is being introduced, to the manner and the kinds of powers that are being given to the Inflation Restraint Board and to the contempt that is being shown for basic principles of natural justice and due process. We are opposed to the fact that collective agreements are being broken and shattered, and we are opposed to the fact that this legislation is different in kind from other inflation restraint legislation that has been passed in other jurisdictions at other times. This is a fundamental break with some basic principles.

In a sense, this is a somewhat unusual circumstance in the affairs of this House. When a government brings in legislation that is a fundamental breach with previous traditions of industrial law, with previous practices of industrial relations and with fundamental collective

agreements that have been arrived at, normally both opposition parties express some fundamental concerns about that act and some fundamental opposition to that legislation. That has not been the case this time.

I respect the right of members of the Liberal Party to take whatever position they may feel they have to take. I realize perfectly well the kinds of pressures they are under. I know well the sorts of policies they have to follow because of the people they are beholden to. I know the phone calls that go back and forth between Ottawa and Toronto—

Interjections.

Mr. Speaker: Order.

Mr. Rae: —the very real problems that are created as a result of that special relationship which I know exists on that side. I do not want to spend too much time talking about that, but I know the difficulties the members of the Liberal Party are labouring under. Some of them are self-induced, others are—

Interjections.

Mr. Speaker: Order. From what I heard, the honourable member allowed other members to voice their opinions. I think we should allow the member for York South to continue.

Mr. Rae: I am intrigued by the approach of the leader of the Liberal Party. It is intriguing that when the government introduces a bill of this nature, the anger of the official opposition would be directed at this party rather than at the government. I just find that an extremely intriguing kind of alliance that has now been created—

Mr. Speaker: Intriguing as you may find it, I ask you to speak to the motion.

Mr. Rae: This does affect the procedural motion because if at any time the Liberal Party had shown fundamental concern with questions with respect to natural justice and due process, it ties in—

Mr. Peterson: Why is he picking on us rather than the government? That is dirty pool. They are the ones who did it.

Mr. Speaker: Perhaps the honourable member could address himself to the motion.

Mr. Rae: I have been attempting to do that, Mr. Speaker.

Mr. Kerrio: Let's make a deal.

Mr. Martel: You've made it.

Mr. Speaker: Order. The member for York South.

Mr. Rae: The members who have clearly made the deal with respect to this legislation are the members of the Liberal Party and of the Conservative Party because they have come together, Mr. Speaker, with respect—it is because these two parties have agreed on the substance of Bill 179 that the government feels it is able to introduce this kind of unprecedented motion. That is the reality.

Mr. Riddell: The only reason we still have a democracy is because there are two old-line parties.

Mr. Martel: You would like to have the cosy old days of the past, wouldn't you?

Mr. Breagh: There used to be two old-line parties, but there is not any more. Now there is just one.

Mr. Rae: There is just one. There is this great alliance at work here. There is this great alliance. No one—

Interjections.

Mr. Speaker: Order.

Interjections.

Mr. Speaker: I am sure all the members who want will be given the opportunity to speak. In the meantime, I recognize the member for York South and I would appreciate the co-operation—

Mr. Peterson: He is picking on us, sir.

Mr. Speaker: Not really—of all the members in letting him voice his views. The member for York South, on the motion.

Mr. Rae: It is because of the agreement in substance on Bill 179 that the government feels it has the right and the moral authority to introduce the kind of motion it has introduced with respect to time allocation. That is the reality. That is why we feel as strongly as we do about the implications of the official opposition abandoning its role as an official opposition with respect to the question of rights. The question of rights in the bill is tied to the question of the attitude of the government towards the rights of the members of this assembly with respect to this legislation.

5:40 p.m.

A government that says there is nothing wrong with taking away the rights of over half a million people, that there is nothing unusual about this kind of thing, that it is a bill that has to go through by Christmas, sets up some arbitrary standards very similar to those of Liberal Party members in 1956 when they said about the pipeline, "We are sorry we cannot have a debate

about the pipeline. It has got to go through by June 15," an arbitrary date set by a committee established by Mr. Pickersgill and Mr. Howe and somebody else. That was the position of the government of the day.

Similarly, the position of the government of this day is that it is administratively convenient for this government to have this bill passed by December 31. That is all. That is what the government is saying: "It suits our convenience. It would make us feel better if we were able to have this bill passed by Christmas." There has been no justification whatsoever given by this government for the abrupt termination and closure that is being imposed today, no justification at all in terms of the bill itself, other than to say it has been discussed for long enough.

The judgement on whether it has been discussed long enough, according to the rules and standing orders of the Legislative Assembly, is not a decision the government is allowed under the rules, as I understand them and see them, to make unilaterally. It is a judgement that has to be made, we believe, according to the rules. This judgement has not been made according to the rules. This judgement has been made unilaterally on the basis of convenience.

A government—and a Liberal Party that is supporting a government—that does not take rights seriously, that does not see anything wrong in attacking freedom of association, that does not see anything wrong in attacking natural justice and taking away basic fundamental rights that have been bargained for, that does not see anything wrong in breaking the basic principle that a bargain is a bargain, is a government that is going to see nothing unusual or wrong in introducing a resolution such as the one it introduced today with respect to closure.

It is that same remarkable sense of self-satisfaction, that same remarkable sense of smugness, that allows the government to say, as the government House leader said: "We are not taking any rights away here with this resolution. We are not affecting the rights of the opposition in any way. We are not restricting their abilities in any way." I do not see how the government House leader can stand in his place and make that kind of statement.

This is closure that is imposed not once, not twice, but three times. This is a resolution that restricts, limits and eliminates the ability of any party concerned about this legislation to indicate its fundamental concerns about it.

This is a resolution that says nothing about whether the Minister of Labour and the Attor-

ney General are going to appear before this House and have the courtesy at least to give us their opinions and an idea of what they think and how they feel about the matter before the government passes this legislation.

This is a resolution that, quite simply, for reasons of sheer administrative convenience on the part of the government, eliminates the ability of the opposition to do its job. That job is not always a popular job. Indeed, it is a job that, as has been stated by both the government House leader and the Liberal leader, requires some judgement. It is a job that requires decisions on the part of all opposition parties, indeed, on the part of every member of the House. Every member has to make a decision with regard to legislation. Members have to decide which legislation is fundamentally good or fundamentally bad, and they are going to take positions of principle with respect to that legislation.

When all is said and done, we do have a substantially different position from the government or even the official opposition with regard to this legislation.

On the wages side we think that this legislation—we made this judgement and it is a judgement which has tempered our response to every aspect of this bill—is fundamentally offensive to anybody who is concerned about civil liberties, and to anybody who is concerned about due process and respect of contracts in Ontario.

We made a judgement in September. We have been criticized for that judgement and we have been praised for that judgement, depending on what one's point of view happens to be. But we took the position with respect to this legislation that we found it to be so offensive and such an attack on civil liberties that our opposition had to take the form of a fundamental opposition, an opposition to the very foundation of this legislation. I make no apologies for that.

Indeed, I am surprised to hear members of the official opposition and members of the government suggesting together that somehow there is something wrong when an opposition party indicates its opposition, and follows through that opposition, always according to the rules, always according to procedure, always according to the rights that have been granted to members of the Legislature by the standing orders of the Legislative Assembly.

I find it bizarre, to put it mildly, that members of either the Liberal Party or the Conservative

Party would feel that there is room for agreement on this kind of legislation. I find it strange that they would somehow expect an opposition party to roll over and die.

I can understand how the Conservative Party has reached that conclusion with the Liberal Party because it rolled over and died three months ago on this legislation. We indicated at that time that we had no intention of doing that.

Mr. Kerrio: The member is going to need intravenous any time now.

Mr. Rae: That is why our opposition—

Mr. Kerrio: The member is dying on his feet.

Mr. Speaker: Order.

Mr. R. F. Johnston: Mr. Speaker, one has to ignore the Liberal sidecar to the Tory Harley over there. That is all they are.

Mr. Rae: I know the member for Niagara Falls is doing whatever he can to help the government in this matter. He may see that as his job. I know he sees that as his job. I know he sees it as his function to do everything he can to keep the Conservative Party in power. He sees it as his function to act as a professional apologist for the Conservative Party.

Mr. Speaker: I think the honourable member is being provocative.

Mr. Rae: I don't happen to think that is our job over here.

Mr. Kerrio: The member thought it was tough in Ottawa.

Mr. Rae: We are faced with a motion—

Mr. Kerrio: He thought those were the big wheels in Ottawa.

Mr. Rae: I was under no illusions when faced with the Liberal Party in Ottawa.

Mr. Speaker: Never mind the interjections, please.

Interjections.

Mr. Rae: I found it strange that the government House leader would introduce this resolution with as little justification in terms of the precedent of this House, or in terms of the precedent of any other House, as has been done today. The government House leader, in making the bald statement that he was acting on the basis of precedent from Westminster, is, I believe, misstating the case.

We believe fundamentally that when it comes to such measures that affect time allocation, this kind of resolution would only be acceptable once a procedure for time allocation had been discussed by the standing committee on proce-

dural affairs, and once there was full provision in the standing orders for this kind of motion. We say that on the basis of clear precedents, not only in Westminster but also in Ottawa.

The clear precedents with respect both to Ottawa and to Westminster are as follows—and let us set the ground rules once again so the government understands exactly the nature of our opposition to this kind of motion.

5:50 p.m.

There is no right on the part of the majority to bring in a motion for time allocation that falls outside the standing orders of this assembly. There is absolutely no right in the majority to impose closure other than under standing order 36. Standing order 36 is quite specific with regard to the fact that questions can be called and a motion can be put that the previous question be put. That is the sum total; that is the beginning and the end of the ability of this government to impose closure.

The government may say: "That is ridiculous. We need additional powers. We need to be able to do more than that. We need to be able to allocate time." The government House leader can refer to the Camp commission and all sorts of recommendations that say the government should have that kind of power; but the fact remains, the government does not have that kind of power.

The very fact that the Camp commission referred to it and recommended it is an indication to me that the Camp commission knew we did not have that power in this assembly and that our standing orders did not provide for it, because if the standing orders did provide for it, surely the Camp commission would not have referred to it. Surely the Camp commission would have said there is a power, there is a common law right so we have no need to make any changes or additions to the standing orders of this House with respect to the allocation of time and guillotine motions such as this.

There is no power in the government. Rather than strengthening his case, the arguments that the government House leader put earlier on have in fact weakened his case.

I know the government House leader is interested in this question because he was relying so heavily on Erskine May with respect to this precedent. I want to suggest to him, sir, that the manual of procedure and the standing orders of the House of Commons in Westminster are fundamentally different from our own. Both of these documents make specific reference to the requirements the government must go through

before it can introduce a time allocation motion. The very fact that they make specific reference to time allocation and our standing orders make no specific reference to time allocation, again strengthens, not weakens, the argument.

Hon. Mr. Wells: On a point of order, Mr. Speaker: If the member will just give me the number of the standing order in the British House of Commons; not a procedure, but the standing order.

Mr. Rae: I am going to give the minister both the standing order and the manual of procedure. If he looks at the manual of procedure, pages 160 and 161, allocation of time orders, rule 221, he will see a reference there with respect to a reference of this matter to a business committee; and if he looks at the standing orders, he will see it referred to in standing order 44 at page 45.

I know very well what argument the government House leader is going to make. Because there is a time limitation attached to a time allocation order in rule 44, he is going to argue, "We have not introduced a time order with respect to this bill, so we have been more generous than they are at Westminster." But that misses the point.

The reason the standing orders of the House of Commons refer to time allocation is that it is an accepted usage and precedent in Westminster. It is something that has clearly been discussed among House leaders and is clearly being done according to the rules and procedures of the House of Commons. We have no such rules and procedures in this assembly. Our government will say, "Perhaps we should." That was the argument that was made earlier by the member for Renfrew North and by the leader of the Liberal Party as well.

For our part, we would certainly be very happy and prepared to participate in a discussion with respect to the allocation of time. I can warn the government House leader—a warning that did not come from the official opposition, although one would have expected it would—it is going to be difficult for us to give up the right to debate. The right to debate is, I believe, a right that is fundamental to parliamentarians, to members of this assembly. Any limitation on debate and any right to closure are things that have to be exercised with the very greatest of care. I do not think that care has been shown by the government.

The government will say: "We never anticipated there would be such a division of opinion. We never anticipated there would be such a

problem with respect to a piece of legislation. This is unprecedented, because we have never had this kind of problem before." To which we can only respond: "We do not think there has ever been legislation that affects fundamental contractual rights and collective rights in quite the same way before, and that is why we are taking the position we are taking. It is because this legislation is unprecedented that we are taking the kind of action we have taken and that we are debating this matter at such length and in such a way."

It is the unprecedented nature of the legislation that we believe justifies the kind of response we have given it. As I say, that is a judgment call on our part as an opposition party. That is a judgment call that others have had to make as well, in terms of the strategies and ploys and devices they have used.

I would only say this. We intend always to follow the rules. We are not going to engage in any tricks. At no point have we ever engaged in any procedural tricks or devices. We have always stuck strictly to the rules. We are not going to get into ringing bells or hijacking anybody or taking the rights of speech away from other members or anything else. We are simply speaking to the issues. We are speaking to the fundamental concerns. We want to hear from the Minister of Labour. We want to hear from the Attorney General.

When the member for Cochrane North (Mr. Piché) wanted to move his motion, he brought in a motion that under section 36 a previous question be now put. That motion was put. That motion was called. That motion was voted on. Every single vote that took place in the committee took place according to the rules of that committee. At no time was there any attempt by us to prevent anybody from voting or to stop any procedure from going ahead.

Mr. Jones: Or delay the issue.

Mr. Rae: There has been all along the line—the member says "delay." I say to the honourable member, we have been doing everything we possibly can to get this government to change its mind, and that is a right he can never take away from an opposition party in this assembly: the right to convince the majority it might be wrong. I say to the honourable mem-

ber who spent so much time in the committee, there are majorities and there are minorities. It is always difficult to find the appropriate balance in terms of fair procedure and a sense of fair play.

No minority in this parliament, no opposition party in this parliament, can ever give up its right to convince the majority that it just might be wrong, for all its smugness and for all its self-assurance that this kind of resolution is perfectly in order because it was typed in time and handed in on time, or that this kind of a bill is in order because it has been typed up properly and because there do not appear to be any printing errors in it. That means it is okay and should be considered and it should just fly through the committee.

The majority can never take away from the minority the right to convince that majority it might just be wrong, and maybe it should start listening to some of the arguments that have been raised. And, instead of accusing us of stonewalling, maybe it should recognize that there may be some substance in the questions about freedom of association raised by my friend the member for Riverdale. There may be something about the impact of this on collective bargaining.

Maybe the members opposite should think about that. Maybe they should respond to that, instead of introducing this strangulation measure, which is simply going to have the effect of closing off debate and of preventing the government from being held accountable for what is without question one of the most serious attacks on contractual rights, due process and collective rights in Ontario.

Mr. Speaker: Perhaps this would be a convenient time to move the adjournment of the debate.

On motion by Mr. Rae, the debate was adjourned.

Hon. Mr. Wells: Mr. Speaker, just before moving the adjournment of the House, I should indicate that the House will proceed with this order of business tomorrow afternoon and tomorrow evening.

The House adjourned at 6 p.m.

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